

**City of Waldport Budget Committee
Working Budget Document
For fiscal year 2016/2017**



The City of Waldport is located on the central Oregon Coast, situated along the Alsea Bay on a landmass that constitutes the edge of the Douglas fir, hemlock, cedar, and spruce forests of the Coast Range Mountains.

As its name implies, Waldport is a place where the "Forest Meets the Sea."

Contents

Budget Message	1		
Budget Process	3	Water Fund	
Changes in Beginning Balances	4	Operations	32
Summary of Resources and Requirements	5	Reserves, System Development	34
Major Revenue Sources and Trends	6		
Services and Functions	8	Sewer Fund	
Personnel Services Summary	9	Operations	36
Materials and Services Summary	10	Reserves, System Development	38
Capital Improvement Plan	11		
Debt Obligations	12	Public Works Fund	41
Interfund Services	14		
Reserves and Unappropriated	15	Street Fund	44
General Fund	17	Waldport Road District	46
Nondepartmental	18		
Administration	20	Waldport Urban Renewal	47
Land Use Planning	22	UR#1 Construction	48
Public Safety, Court Services	23	UR#2 Construction	50
General Obligation Bond	24	UR#3 Construction	54
		UR#2 Debt	55
Community Fund	25	Appendix	57
Library Services	26	Salaries and Wages Supplement	58
Parks and Recreation	28	Summary of Financial Policies	59
Community Center	29	Budget Glossary	61
Economic Development	30		

Kerry E. Kemp, City Manager/Budget Officer
City of Waldport, PO Box 1120, Waldport, OR 97394
(541) 264-7417 www.waldport.org

Budget Committee Members

Mark Campbell	Allen Canfield	Jack Christenson
Dann Cutter	Pauline Gates	Greg Holland
Lisa Miller	Bob O'Brien	Scott Perkins
Pat Warwick	Herman Welch	Susan Woodruff



**City of Waldport
Budget Message
For fiscal year 2016/2017**

Dear Budget Committee Members and Citizens of Waldport,

Enclosed is the proposed budget for the fiscal year beginning July 1, 2016, and ending June 30, 2017. As a workbook, this document will serve as a tool for your deliberations toward the final budget document. That final budget document should reflect both the City's goals and objectives in our continuing efforts to implement certain policy and service needs, and the financial requirements to meet those objectives.

Overall Financial Outlook

As your City Manager and Budget Officer, I am pleased to once again state that the financial condition of the City continues to be relatively stable and sufficiently adequate to provide the range of services as expected by the citizens. The City is able to implement plans and necessary infrastructure to meet the needs of future years as well as respond to immediate issues. The City remains conservative and efficient in our provision of those basic services that we provide the community. The budget is balanced in accordance with state budget law. The 2016/2017 budget totals almost \$6 million.

We are fortunate that we have planned for infrastructure needs, as many cities are struggling to fund capital improvements. Waldport will be able to make necessary system upgrades, as needed due to growth, essentially from revenues derived from growth via system development charges on new development, and the incremental tax revenues from Urban Renewal. For instance, the city has the financial capacity to fund a necessary sewer plant ultraviolet system upgrade.

The City's beginning balances, or cash reserves from previous years, increased 8% from July 2013 to July 2015 due to the accumulation of urban renewal tax increment and an absence of sewer capital outlays in 2014/2015. Recent capital improvements include the purchase of a new public works facility in the industrial park, financed through an Infrastructure Finance Authority loan, to be mostly paid through water and sewer charges.

Features of the Budget and Changes

Service charges for water include a 2.4% increase based on the National Construction Cost Index, pursuant to Resolution 1143, and no increase in service charges for sewer, contingent upon Council review and approval. Property tax revenues are based on a permanent operating rate of \$2.3328 for the City and \$0.6960 for the Road District per \$1,000 of assessed value. These permanent rates do not change pursuant to state law. However, increases in assessed value will provide additional revenues for city services. The County did a physical reappraisal of Waldport property values for 2014/2015. Property tax revenues for FYE 2017 are cautiously optimistic.

We are pleased to announce grant awards from Department of Land Conservation and Development for the industrial park master plan, ODOT for pedestrian improvements along the seawall section of US 101, Infrastructure Finance Authority for water plant upgrades and master plan, and FEMA for Eckman Creek flood damages.

The City Council approved a series of goals, including **Recreational Improvements** (parks, open space, trails, ball fields, parks district, and port facilities), **Economic Development** (removing impediments to development, hotel attraction, marketing, restaurants, Scenic Byway, downtown improvements, family wage jobs, access to the industrial park, housing, public art), **Infrastructure Improvements** (tsunami preparation, transportation improvements, and utilities), and **Urban Renewal** as a financing tool for the above categories.

An Open Space community charrette was held in September 2015 on potential uses for the approximately 12-acre property bordered by Highway 34 and Crestline Drive, previously the site of the Waldport High School. The workshop included a walking tour of the property followed by a roundtable discussion of potential uses, amenities, access and funding. Evaluating site plan and use options is ongoing. Several park grants will continue in the upcoming budget. Public meetings were held in February and March of 2016 for an updated parks & recreation master plan. Park and recreation funding and financing options will be researched and outlined in the coming year.

The "Peak to Pacific" Scenic Byway application process is progressing and the Corridor Management Plan is anticipated for 2016/2017. Feasibility study and master plan for the industrial park is proceeding.

Water plant upgrades and an updated master plan are included in the proposed budget, financed by grant proceeds and a loan borrowing estimated at \$74,000 at 1% interest. Digital mapping for water distribution and wastewater collection are installed.

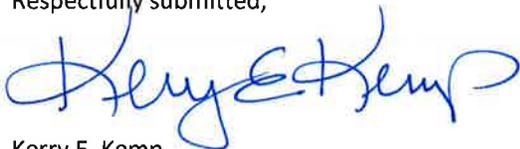
Proposals for the remaining urban renewal #1 funds include a way finding program for downtown and old town. Urban renewal #2 is in the initial stage for a plan amendment. A series of meetings and public forums to discuss the potential amendment will be held over the course of the year. A short term borrowing of \$120,000 is proposed.

Personnel services are estimated to increase 3% over the current year budget and reflect an increase in hours for library services personnel. Materials and services are estimated to decrease over the current year budget.

Capital projects planned for 2016/2017 total almost \$1 million and include lagoon sludge removal, upgrading the ultraviolet system at the wastewater plant, as well the projects mention above.

Please feel free to visit with me prior to the budget hearing if you would like clarification of anything contained in this document. I would like to express my gratitude to staff for their assistance in the preparation of this budget document and for their dedication to delivering quality services to the public.

Respectfully submitted,



Kerry E. Kemp
City Manager/Budget Officer
April 2016

Budget Process

A budget, as defined by Oregon Revised Statutes (ORS), is a financial plan containing estimates of revenues and expenditures for a given period or purpose. Oregon's local budget law establishes standard procedures, outlines programs and services, provides methods for obtaining public views in the preparation of fiscal policy, provides for the control of revenues and expenditures of public funds, and enables the public to be apprised of the financial policies and administration of the municipal corporation.

The city's budget is organized and operates on the basis of funds. Fund accounting segregates resources (revenues) and requirements (expenditures) according to their intended purpose and is used to demonstrate compliance with finance related legal and contractual provisions. Budget law requires a balanced budget, that is, the resources equal the requirements in every fund. The proposed resources and requirements are estimated in good faith.

Notice of the first meeting of the budget committee, held for the purpose of receiving the budget message and budget document and hearing questions and comments from the public, is published in a newspaper of general circulation before the committee meeting.

The Budget Committee is the fiscal advisory board of a local government and consists of the governing body plus an equal number of legal resident voters appointed by the Council. The votes of all Budget Committee members are equal. The Budget Committee reviews the proposed budget rendered by the Budget Officer and listens to comments and questions from interested citizens. The committee may approve the proposed budget intact, or change all or part of it prior to final approval. The fiscal powers of the Budget Committee are to specify the amount of tax revenue or tax rate for each fund, to establish maximum total expenditures for each fund, to approve the total taxes for the local government as an amount and/or rate, and to approve the budget and forward it on to the Council for adoption.

A financial summary of the budget approved by the budget committee and a notice of the budget hearing is published before the budget hearing. The summary contains information on the approved budget, the current year's budget, and the preceding year's actual resources and expenditures.

After the public hearing and consideration given to matters discussed at the public hearing, the governing body shall enact the resolutions to adopt the budget, to make appropriations, and to declare the ad valorem property tax amount or rate to be certified to the assessor. If changes are made after the hearing, estimated expenditures of any fund cannot increase by more than \$5,000 or 10 percent, whichever is greater, of the amounts approved by the budget committee.

Total expenditures cannot exceed the final appropriation once the budget is adopted. However, the law provides for budget changes after adoption. The supplemental budget process provides for a public notice and a public hearing before making appropriations, if fund expenditures increase by ten percent or more.



Changes in Beginning Balances

The beginning balance represents cash, or the liquid portion of each fund, at the beginning of the fiscal year. While the city is a nonprofit entity, beginning balances provide for contingencies, bridge seasonal cash flows, build reserves for improvements to long term assets, and enhance credit worthiness.

The following table presents a summary of historical beginning balances and offers a perspective of the viability or evolution of the funds. Comments and explanations are offered below.

Beginning Balances	Jul-2013	Jul-2014	Jul-2015
General and Community	516,149	500,228	533,936
Street and Road District	154,542	117,279	156,891
Urban Renewal	152,956	180,394	200,961
Public Works	155,777	167,669	169,798
Water Fund	249,317	189,026	232,809
Sewer Fund	292,003	288,150	354,948
Totals	1,520,744	1,442,746	1,649,343

The general and community funds are supported primarily by taxes and intergovernmental revenues, which have been stable. Expenditures increased in 2013/2014 and included contract services for a professional recruitment, legal services for medical marijuana dispensaries, and information technology services. Expenditures decreased in 2014/2015 for Lincoln County Sheriff contract services, due to the significant savings realized by the new healthcare plan combined with a new deputy who was hired at a lower salary rate.

The beginning balance for streets and roads decreased in July 2014 for increased public works services, street sweeping and preventative storm maintenance.

Urban Renewal accounts for limited specific resources to repay debt and to construct capital assets. Beginning balances for these funds will decrease with project construction.

Public Works charges for services are estimated to cover all costs and are periodically revised to eliminate any element of profit or loss, as per ORS 294.343(5). The beginning balance for this internal service fund should approximate liabilities and the reserve accumulated for equipment and vehicles.

The beginning balance for water decreased in July 2014 with the purchase of twenty acres that surrounds Southworth Creek watershed.

The beginning balance for sewer increased in July 2015 because there were no capital outlay expenditures in 2014/2015.

Summary of Resources and Requirements

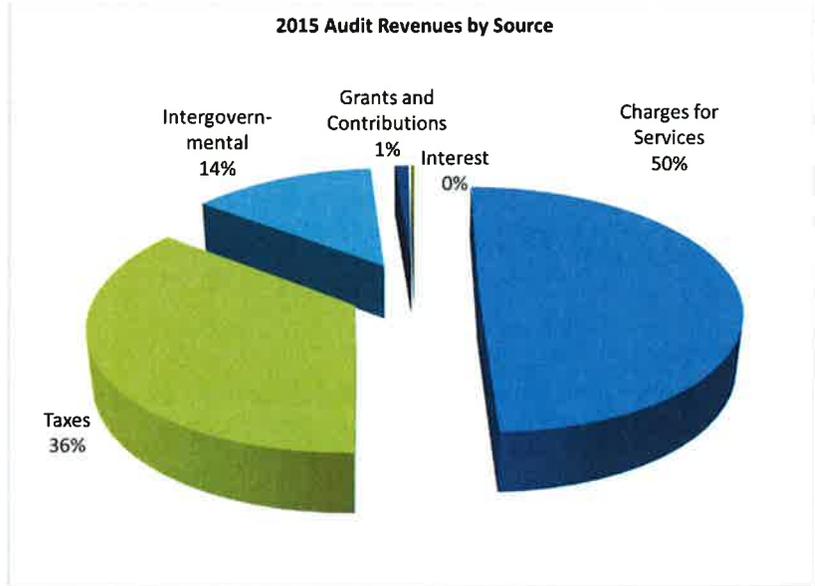
The following table presents a summary of revenues and expenditures, as well as other resources and requirements, to provide an overview for the city as a whole for two historical fiscal years, the current budget year, and the upcoming budget year.

2014 Actual	2015 Actual	% Change	Resource Summary	2016 Budget	2017 Budget	% Change
740,805	743,918	0%	Property Taxes	765,329	754,490	-1%
136,667	150,426	10%	Franchise and Room Taxes	136,000	157,200	16%
1,082,044	1,115,700	3%	Base and Usage Charges	1,170,064	1,186,680	1%
49,098	39,390	-20%	System Development	37,100	38,000	2%
75,052	76,577	2%	Other Service Charges	76,100	78,600	3%
334,090	332,881	0%	Intergovernmental	349,932	338,485	-3%
38,474	25,764	-33%	Grants, Contributions	221,480	454,620	105%
5,441	6,227	14%	Interest Earnings	5,600	5,700	2%
931,909	895,432	-4%	Interfund Services	1,034,637	1,053,118	2%
3,393,580	3,386,315	0%	Total Revenues	3,796,242	4,066,893	7%
			Other Resources			
1,520,744	1,442,746	-5%	Beginning Balances	1,542,500	1,407,997	-9%
217,776	223,875	3%	Interfund Transfers	398,634	268,356	-33%
-	100,000		Loan Proceeds	500,000	204,000	
5,132,100	5,152,936	0%	Total Resources	6,237,376	5,947,246	-5%
2014 Actual	2015 Actual	% Change	Requirement Summary	2016 Budget	2017 Budget	% Change
1,148,503	1,155,007	1%	Personnel Services	1,273,725	1,314,862	3%
1,836,501	1,763,660	-4%	Materials & Services	2,134,366	2,039,040	-4%
296,491	70,682	-76%	Capital Outlays	1,107,330	904,180	-18%
190,082	290,370	53%	Debt Service	284,814	326,518	15%
3,471,577	3,279,719	-6%	Total Expenditures	4,800,235	4,584,600	-4%
			Other Requirements			
217,776	223,875	3%	Transfers	398,634	268,356	-33%
-	-		Contingency	234,489	281,563	20%
-	-		Reserved & Unappropriated	804,018	812,727	1%
3,689,353	3,503,594	-5%	Total Requirements	6,237,376	5,947,246	-5%
1,442,747	1,649,342	14%	Ending Balances			

Major Revenue Sources and Trends

Financial health or condition looks at maintaining existing service levels, withstanding economic disruptions, and meeting the demands of natural growth, decline, or change.

Total revenues for FYE 2015 increased 1%. Charges for services increased 2% due to a water and sewer rate increase. Taxes increased 2% due to an increase in transient room tax receipts and urban renewal growth.



Audit Revenues	FYE 2014	FYE 2015	Increase (Decrease)	% Change
Charges for Services	1,204,136	1,230,852	26,716	102%
Taxes	876,156	890,408	14,252	102%
Intergovernmental	334,090	332,880	(1,210)	100%
Grants and Contributions	38,473	25,761	(12,712)	67%
Interest	5,440	6,227	787	114%
Total Revenues	2,458,295	2,486,128	27,833	101%

Charges for services primarily consist of water and sewer service charges, but also include system development charges, community center rental fees, business licenses, traffic fines, and planning fees.

Revenues from **utility service charges** are a function of the city's customer base, usage, and the appropriate rate as approved by Council. Utility service rates are projected to follow increases in the Construction Cost Index. Utility service rates were also increased in August of 2015 for the purchase of the new public works facility.

Utility Service Charges	2014 Actual	2015 Actual	2016 Budget	2017 Budget
Water	541,550	555,867	584,291	598,560
Sewer	540,495	559,833	585,773	588,120
Totals	1,082,045	1,115,700	1,170,064	1,186,680
Change		3%	5%	1%

System development charges (SDC) are designed to finance the development of a facility or the construction or enlargement of a community water supply, storm sewer or sewerage or disposal system and are imposed as a condition to issuance of any building permit. The city's engineering firm provided an analysis and review of SDC, which provide equitable funding for orderly growth and development, and realigned the purpose of revenues from improvement to reimbursement. The intention is that neither existing users nor new users subsidize the other, but rather that each pays their fair share.

Property tax revenues are a large revenue source for the city. Property taxes are based on a permanent operating rate of \$2.3328 for the City and \$0.6960 for the Road District per \$1,000 of assessed value. These permanent rates do not change

Property Taxes	FYE 2014	FYE 2015	FYE 2016	FYE 2017
	Actual	Actual	Budget	Budget
General Operating	473,443	469,697	485,800	470,400
General Obligation Bond	84,756	84,839	84,129	84,590
Road District	141,186	140,098	144,700	139,900
UR#2 Tax Increment	41,419	49,285	50,700	59,600
Totals	740,805	743,918	765,329	754,490

pursuant to state law. However, increases in assessed value will provide additional revenues for city services. The city also receives tax increment revenues for urban renewal debt and a tax levy for voter-approved general obligation bonds to pay the principal and interest of those obligations.

Property is taxed on its assessed value to provide government and education services. A property's **assessed value (AV)** is the lower of its real market value or its maximum assessed value. Each year, the county assessor determines the property's real market value and calculates its maximum assessed value. **Real Market Value (RMV)**, the assessor's estimate of the property value, is trended based on sales occurring during the calendar year. **Maximum Assessed Value (MAV)**, the taxable value limit established for each property, can increase for only two reasons: a 3% annual increase or specific property events.

The County did a physical reappraisal of Waldport RMV for 2014/2015. The overall change in market value and taxable value decreased 1-2%. Reappraised values went down slightly, added over 2.5 million in new

Property Taxes	2013/2014	2014/2015	2015/2016
Assessed Value (AV)	209,162,610	207,837,870	207,160,350
Real Market Value (RMV)	232,416,847	228,765,852	224,911,020
RMV / AV	1.11	1.10	1.09
AV change	100%	99%	100%
RMV change	92%	98%	98%

construction value, and lost \$675,000 in value due to business personal property going away and some properties being sold to tax exempt organizations.

Property values within the City of Waldport remained stable for 2015/2016. There is a two year delay of market data at the County. Lincoln County valuations for calendar year 2014 are reflected on tax statements for 2015/2016.

Intergovernmental revenues include library district funds and state shared revenues. The Lincoln County Library District funds local city public libraries in return for their providing service to county/district residents. The State of Oregon collects gas, liquor, and cigarette taxes and shares these taxes based upon a per capita distribution. Revenues received from Oregon's Highway Trust Fund (primarily gas taxes but also includes DMV licensing and registration fees) must be used for road related purposes. Other state sharing revenues, derived from liquor and cigarette taxes, may be used for general government purposes.

Services and Functions

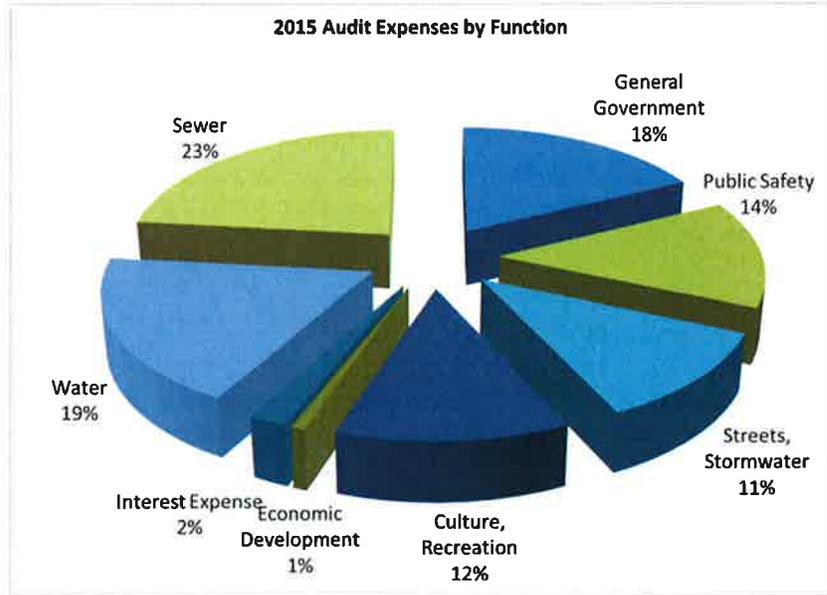
A historical perspective of audited expenses for the last two fiscal years is presented. The audited expense format is standardized at the federal level by function and **does not include capital outlays and principal debt, but does include depreciation.**

General government includes administration and land use planning. Culture and recreation includes library services, the community center, and parks and recreation. Economic development includes urban renewal.

Total audited expenses for programs and services decreased 8% for FYE 2015. Expenses decreased for general government, water and sewer primarily due to a change in reporting for pensions mandated by GASB 68. Additionally expenses decreased for sheriff contract services and streets, and increased for economic development.

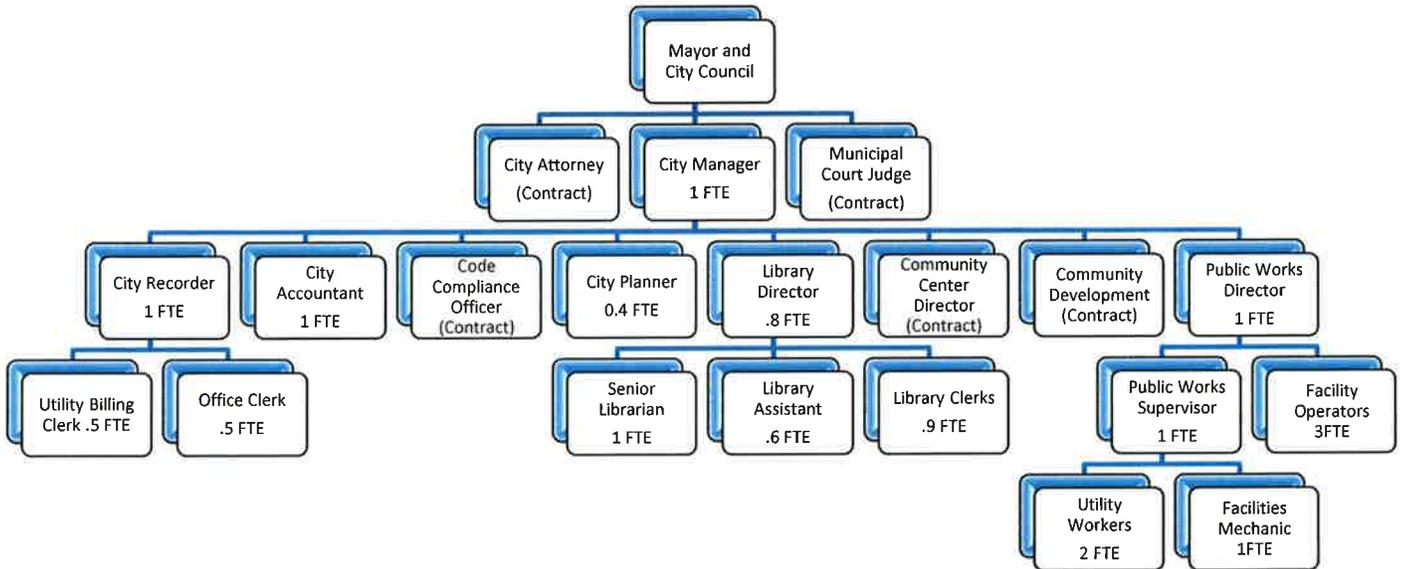
Changes in Net Assets

The difference between audited revenues and expenses is enumerated and entitled "Increase (Decrease) in Net Assets".



Audit Expenses	FYE 2014	FYE 2015	Increase (Decrease)	% Change
General Government	467,743	401,854	(65,889)	86%
Public Safety	364,459	347,017	(17,442)	95%
Streets, Storm water	313,161	288,196	(24,965)	92%
Culture, Recreation	288,082	283,514	(4,568)	98%
Economic Development	10,488	18,995	8,507	181%
Interest Expense	52,006	51,101	(905)	98%
Water	501,311	432,266	(69,045)	86%
Sewer	573,915	543,691	(30,224)	95%
Total Expenses	2,571,165	2,366,634	(204,531)	92%
Increase (Decrease) In Net Assets	(112,870)	119,494		

Personnel Services Summary

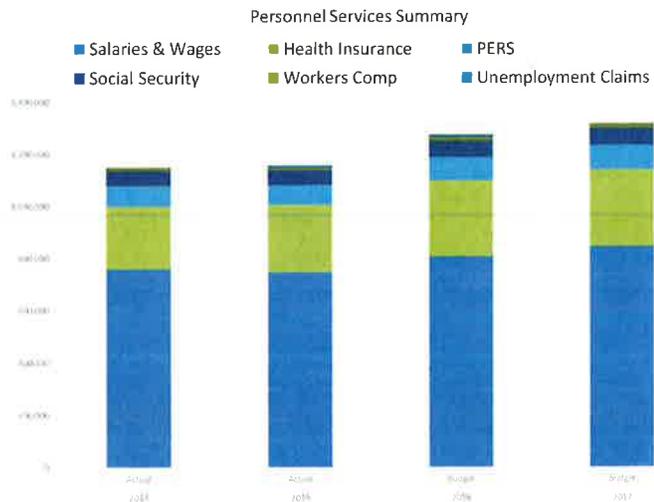


Personnel by Full Time Equivalency (FTE)

	2014 Actual	2015 Budget	2016 Budget	2017 Budget
General Fund	3.2	3.4	3.9	3.9
Community Fund	2.7	3.0	3.0	3.3
Public Works Fund	8.5	8.5	8.5	8.5
Total FTE	14.4	14.9	15.4	15.7

Hours increased in 2015 for the City Manager and Library Clerks. A new half time administrative position and a contract for community development services were included in the 2016 Budget. Hours increased in 2017 for Library personnel.

Personnel services, detailed in this document, also include expenses related to the compensation of employees, such as health insurance premiums, retirement contributions, and social security.



Materials and Services Summary

Materials and services are defined as expendable materials, operating supplies, and services necessary to conduct an activity or program.

Materials & Services	2014	%	2015	%	2016		2017	
	Actual		Actual		Budget	%	Budget	%
Public Works Services	771,319	42%	733,916	42%	862,000	40%	870,800	43%
Contract Services	621,414	34%	593,693	34%	697,174	33%	648,048	32%
Equipment, Facilities	184,982	10%	177,783	10%	277,100	13%	229,600	11%
Utilities	143,488	8%	142,638	8%	154,200	7%	156,700	8%
Other Expenses	70,432	4%	71,988	4%	96,192	5%	86,692	4%
Supplies	38,485	2%	36,747	2%	38,900	2%	38,000	2%
Miscellaneous	6,381	0%	6,894	0%	8,800	0%	9,500	0%
Totals	1,836,501	100%	1,763,659	100%	2,134,366	100%	2,039,340	100%

Public works services and other contract services comprise roughly 75% of materials and services. The public works fund serves as a centralized pool of labor, equipment, and vehicles and provides services to the water, sewer, street funds, as well as other funds and entities.

The general fund contracts with Lincoln County Sheriff for enhanced law enforcement services. Waldport Road District contracts with the city's street fund to maintain and improve roads within the city. The general fund contracts for attorney, audit, code compliance, and information technology services. The street fund contracts for asphalt patching, striping, and temporary summer employment.

The repair and maintenance of equipment, systems, and facilities represents roughly 10% of materials and services and includes equipment at the water and sewer plants, waterlines, sewerlines, sewer pump stations, the library collection, streets and storm systems, and public works vehicles and equipment.

Utilities include electric costs for street lighting, electric and water costs for the sewer plant, electric and telemetry costs for sewer pump stations, gas and diesel for public works vehicles and equipment, and electric costs and telemetry for the water plant.

Other expenses include insurance, training, memberships, postage and advertising. Supplies include permits for water and sewer operations and standard materials for most funds. Miscellaneous includes program support and state assessments for municipal court.

Capital Improvement Plan

The Capital Improvement Plan establishes, prioritizes, and ensures funding for projects to improve existing infrastructure or to pave the way for new development. Projects generally increase functionality, efficiency, and capability of the infrastructure, or increase capacity to meet the demands of growth, or provide community livability and enhancement.

For fiscal year 2016/2017

Fund	Project	Estimated Cost	Funding Source
General	Copier Capital Lease	10,000	Taxes
Community	Lint Slough Trail	28,000	Grant
Community	Parks, Rec & Trails Master Plan	26,200	Grant
Community	Waziyata Beach Access	18,180	Grant
Community	Scenic Byway/Corridor Management Plan	7,250	Grant
Community	Industrial Area Master Plan	105,600	Grant, Contributions
Water	Eckman Creek Flood Repairs	178,000	Grant
Water	Reservoir Rehabilitation	35,000	Reserves
Water	Water Plant Upgrades/Master Plan	195,000	Grant, Loan
Water	Water Rights	5,000	Reserves
Water	Waterline Tie In (Skyline/Chad)	10,000	Reserves
Sewer	Inflow & Infiltration Mitigation	30,000	Reserves
Sewer	Lagoon Sludge Removal	60,000	Reserves
Public Works	Fencing for New Facility	10,000	Reserves
Streets	Bridgeview Trail Engineering	60,950	ODOT Grant
Urban Renewal	Downtown/Old Town Way Finding Program	25,000	UR#1
Urban Renewal	Vehicle Access for Rehabilitated Motel	5,000	UR#1
Urban Renewal	Industrial Park Sewerline	5,000	UR#2
Urban Renewal	Sewer Plant UV System Upgrade	90,000	UR#2
Total for 2016/1017		\$904,180	

For fiscal year 2017/2018

Fund	Project	Estimated Cost	Funding Source
General	Community Resiliency Plan	TBD	TBD
Sewer	Wastewater Master Plan Update	60,000	TBD
Streets	Bridgeview Trail Construction	182,850	Grant
Urban Renewal	Open Space Access (Red River)	50,000	UR#1
Urban Renewal	Industrial Park Sewerline Construction	TBD	UR#2, LID

For fiscal year 2018/2019

Fund	Project	(TBD Estimated Cost)	(To Be Determined) Funding Source
General	Transportation Plan Update	TBD	TBD
Community	Library Roof (replace main section)	TBD	TBD
Streets	Storm Water Master Plan	TBD	TBD
Urban Renewal	New East/West Road	TBD	UR#2

Debt Obligations

ORS 287A.050 states that “(2) a city may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds three percent of the real market value of the taxable property within its boundaries, calculated as provided in ORS 308.207. (3) The limitation described in subsection (2) of this section does not apply to general obligation bonds issued to finance the costs of local improvements assessed and paid for in installments under statutory or charter authority or to finance capital construction or capital improvements for: (a) Water supply, treatment or distribution; (b) Sanitary or storm sewage collection or treatment; (c) Hospitals or infirmaries; (d) Gas, power or lighting; or (e) Off-street motor vehicle parking facilities.”

Debt Obligations	Beginning Balance Jun-15	Loan Proceeds	Principal Paid	Ending Balance Jun-16
Copier Lease (GAAP)	3,140		(1,787)	1,353
94 USDA GO Bond	1,118,867		(35,704)	1,083,163
General Obligations	1,122,007	0	(37,491)	1,084,516
Governmental Funds	1,122,007	0	(37,491)	1,084,516
OBDD Note L16001	0	500,000	(25,349)	474,651
Public Works Fund	0	500,000	(25,349)	474,651
OBDD Note S01008	330,345		(16,842)	313,503
Umpqua Note 70011654	125,125		(16,500)	108,625
Water Fund	455,470	0	(33,342)	422,128
DEQ Note R94341	79,837		(79,837)	0
07 USDA Revenue Bond	718,272		(15,789)	702,483
Sewer Fund	798,109	0	(95,626)	702,483
Proprietary Funds	1,253,579	500,000	(154,317)	1,599,262
Totals	2,375,586	500,000	(191,808)	2,683,778
ORS 287A.050 and ORS 308.207:				
Real Market Value	228,765,852			224,911,020
Total Debt to RMV	1%			1%

General Obligation Debt

On July 29, 1994, the city issued general obligation bonds through US Department of Agriculture in the amount of \$1,583,300 for construction of the wastewater treatment plant.

Fiscal Year	Interest	Principal	Total
2016/2017	48,742	37,311	86,053
2017/2018	47,064	38,989	86,053
2018/2019	45,309	40,744	86,053
Thereafter	409,516	966,118	1,375,634
Total	550,631	1,083,162	1,633,793

Interest Rate: 4.5%
 Payment Due: Jul 28th
 Required Reserve: \$ 86,060
 Retirement Date: Jul-34

Water Fund Debt

On September 30, 2003, the city entered into a loan agreement with Oregon Business Development in the amount of \$519,900 for water source improvements.

Fiscal Year	Interest	Principal	Total
2016/2017	3,135	17,010	20,145
2017/2018	2,965	17,180	20,145
2018/2019	2,793	17,352	20,145
Thereafter	20,071	261,962	282,033
Total	28,964	313,504	342,468

Interest Rate: 1.0%
 Payment Due: Dec 1st
 Required Reserve: \$ 22,160
 Retirement Date: Dec-32

New Water Fund Debt

An update to the Water Treatment Plant is an Oregon Health Authority mandated project, providing a grant/loan opportunity. Oregon Business (IFA) has awarded a loan of \$74,000 and a forgivable loan (grant) of \$111,000. The fiscal impact will depend upon the OHA approved construction solution and costs, but an early estimate for annual debt service is \$3,360.

Interest Rate: 1%
 1st Payment Due: Dec-17
 Required Reserve: 10%
 Retirement Date: Dec-41

Public Works Debt

On September 1, 2015, the city entered into a loan agreement with Business Oregon IFA in the amount of \$500,000 to purchase a new public works facility.

Fiscal Year	Interest	Principal	Total
2016/2017	16,660	13,710	30,370
2017/2018	16,179	14,191	30,370
2018/2019	15,681	14,689	30,370
Thereafter	177,034	432,061	609,095
Total	225,554	474,651	700,205

Interest Rate: 3.510%
 Payment Due: Dec 1st
 Required Reserve: \$ 33,407
 Retirement Date: Dec-39

Water Fund Debt

On January 15, 2013, the city entered into a loan agreement with Umpqua Bank in the amount of \$165,000 for water reservoir improvements.

Fiscal Year	Interest	Principal	Total
2016/2017	3,032	16,500	19,532
2017/2018	2,537	16,500	19,037
2018/2019	2,202	16,500	18,702
Thereafter	3,793	59,125	62,918
Total	11,564	108,625	120,189

Interest Rate: Variable
 Payment Due: Monthly
 Required Reserve: None
 Retirement Date: Jan-23

Sewer Fund Debt

On March 27, 2007, the city issued a revenue bond through US Department of Agriculture in the amount of \$882,400 for Crestline bypass and lagoon improvements.

Fiscal Year	Interest	Principal	Total
2016/2017	28,977	16,441	45,418
2017/2018	28,299	17,119	45,418
2018/2019	27,593	17,825	45,418
Thereafter	354,508	651,096	1,005,604
Total	439,377	702,481	1,141,858

Interest Rate: 4.125%
 Payment Due: Mar 27th
 Required Reserve: \$ 45,418
 Retirement Date: Mar-47

Interfund Services

Internal cost recovery (ICR) allocates administrative personnel costs, representing administrative services provided to various funds, such as planning and overseeing projects, responding to inquiries, and paying expenses. The allocation is a resource for the general fund and an expenditure for various funds. The means or driver for this allocation is the most recent audit expenses (two years prior). Administrative time spent on a fund is based upon the relationship of audited fund expenses to total city expenses. Expenses for the public works fund, debt service and transfers are excluded from the ICR calculation. The resource for the general fund will fluctuate with the percentage of expenses billed to various funds.

Internal Cost Recovery for General Fund

Fund Department	2015 Expenses	% of Total	Administration Allocation	Land Use Planning
Administration	373,303	18%	56,541	
Land Use Planning	60,989	3%	9,237	
Public Safety, Court	347,017	16%	52,560	
Library Services	207,737	10%	31,464	
Parks & Recreation	15,034	1%	2,277	
Community Center	24,000	1%	3,635	
Economic Development	25,315	1%	3,834	
Subtotal	1,053,394	50%	159,548	
Street Fund	190,684	9%	28,881	
Urban Renewal #1	12,345	1%	1,870	2,116
Urban Renewal #2	16,825	1%	2,548	2,884
Water Fund	433,022	21%	65,587	
Sewer Fund	402,661	19%	60,988	
Subtotal	1,055,537	50% (2)	159,874	5,000 (3)
Total	2,108,931	100%	319,424 (1)	

(1) General fund administration personnel services are allocated based upon the relationship of audited fund expenses to total city expenses.

(2) For fiscal year ending 2017, 50% of general fund administration personnel services will be billed to various funds because that is the ratio of fund expenses to total city expenses.

(3) An additional \$5,000 has been allocated for planning services to cover costs of city planner's time spent on urban renewal projects.

Public works service charges provide for cost reimbursement of staffing, vehicles and equipment, emulating a nonprofit business. Billings are based upon timesheets, which reflect hours for each fund, department, or project. Budget service charges are estimated based upon previous year actuals.

Public Works Service Charges	2014		2015		2016		2017	
	Actual	%	Actual	%	Budget	%	Budget	%
General Services	2,910	0%	4,210	1%	3,200	0%	5,000	1%
Public Safety	1,098	0%	2,609	0%	1,200	0%	3,100	0%
Street Services	129,689	17%	119,943	16%	141,600	16%	142,900	16%
Water Plant Services	238,137	31%	208,759	28%	255,800	29%	248,800	28%
Distribution Services	101,396	13%	102,562	14%	114,450	13%	122,200	14%
Sewer Plant Services	173,715	22%	178,416	24%	209,800	24%	212,600	24%
Collection Services	117,439	15%	114,285	15%	132,950	15%	136,200	15%
Subtotal	764,384	98%	730,784	98%	859,000	98%	870,800	98%
Other Services	13,995	2%	11,900	2%	21,370	2%	14,200	2%
Total Service Charges	778,379	100%	742,684	100%	880,370	100%	885,000	100%

Reserves and Unappropriated

Reserves establish minimum cash for working capital requirements to minimize the risk of interrupted business operations due to financial instability, both internal and external, or to fulfill legal requirements of bond covenants and statutes. These necessary reserves may include future year reserves for a specific purpose, operating “not available for appropriation” reserves, counter-cyclical reserves or rate stabilization funds, and debt service reserves.

Debt reserve requirements are often imposed by the lender. Some revenue sources are pledged irrevocably to the retirement of debt, such as the urban renewal tax increment or the general obligation tax levy.

System development reserves are restricted by state statutes either as improvement or reimbursement. Improvement charges may be spent only on capacity increasing capital improvements included in the SDC plan. Reimbursement charges may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness.

State statutes require that 1% the city’s portion of state gas taxes be expended for footpaths and bicycle trails or reserved for future permitted expenditures.

Fund	SDC			
	Debt Reserves	Reserves, Foot Paths	Capital Reserves	Unappropriated
General	91,537			200,000
Community		19,700		50,000
Street		4,967	75,882	
Urban Renewal	19,800			
Public Works	33,407		69,261	
Water	30,000	61,755	35,000	
Sewer	45,418	26,000	50,000	
Totals	220,162	112,422	230,143	250,000

The Capital Reserves (shown above) are not restricted externally and include public works’ equipment reserve. Public works equipment reserve estimates the replacement cost based upon the original cost and uses National Construction Cost Index (CCI) as an estimate for inflation. The estimated replacement cost is reserved over the estimated life of the capital asset. If the capital asset exceeds its estimated life, just the adjustment for inflation is reserved.

Capital Asset	Date Acquired	Original Cost	Estimated Life	Original Index	Estimate to Replace	Reserve per Year	Age
Backhoe	1999	53,500	12	6059	88,616	2,134	18
Brushcutter, Kubota	2009	53,900	12	8570	63,120	5,260	8
Dump Truck, 10 yd	2001	41,962	12	6343	66,393	1,599	16
Dump Truck, 5 yd	2005	8,750	12	7446	11,794	284	12
Excavator	2016	50,000	12	10036	50,000	4,167	1
Flatbed, Chevy	2008	27,439	6	8310	33,138	798	9
Pickup, Chevy	2006	16,056	6	7751	20,789	501	11
Pickup, Chevy	2007	21,224	6	7966	26,739	644	10
Pickup, Chevy	2010	19,870	6	8799	22,663	546	7
Pickup, Chevy	2014	20,385	6	9806	20,863	3,477	3
Trencher	1991	11,400	12	4835	23,663	570	26
Utility Tilt Trailer	2001	8,500	12	6343	13,449	324	16
Vactor Truck	2005	68,000	12	7446	91,653	2,207	12
Van, Dodge	2000	8,005	6	6221	12,914	311	17
Totals		408,991			545,795	22,821	
		Prior Index	Jun-14	9800			
		Current Index	Jun-15	10036			

Unappropriated is the amount set aside in the budget to be carried over to the next year’s budget, providing cash until tax money is received in November.

The city's budget is organized and operates on the basis of funds, according to their intended purpose and legal provisions. Some funds are further segregated into departments. The following table briefly describes services or functions carried out by each fund.

General Fund

- Accounts for financial resources not required to be accounted for in another fund.
- Provides administrative services to all of the funds, contracts for audit services, code compliance, and information technology services.
- Processes land use applications and building permits, develops plans for land use, zoning, and transportation, prepares grant applications, staffs the mandated Planning Commission.
- Provides contracted services for traffic and criminal law enforcement, and a municipal court for traffic and code violations.
- Pays general obligation bond principal and interest, financed by property taxes.

Community Fund

- Provides library services for access to books, periodicals, references, audio-visual materials, and internet, sponsors children's reading programs, financed by library district revenues.
- Maintains city parks. Provides for the construction of park system improvements, financed by grants and system development charges.
- Provides meeting place for organizations and social events, sponsors community programs and services, financed by rental income.
- Promotes economic vitality and development, provides pedestrian and street amenities, improves recreational and community facilities, and other amenities.

Water Fund

- Provides water treatment, distribution services, and for the construction of water system improvements, financed by utility service charges and system development charges.

Sewer Fund

- Provides wastewater collection, treatment services, and for the construction of sewer system improvements, financed by utility service charges and system development charges.

Public Works Fund

- Provides labor, equipment and vehicles to various funds, financed by charges for services.

Street Fund

- Maintains and improves streets, roads, sidewalks, and storm system, financed by state gas taxes.

Road District

- Maintains and improves streets, roads, sidewalks, and storm system, financed by property taxes.

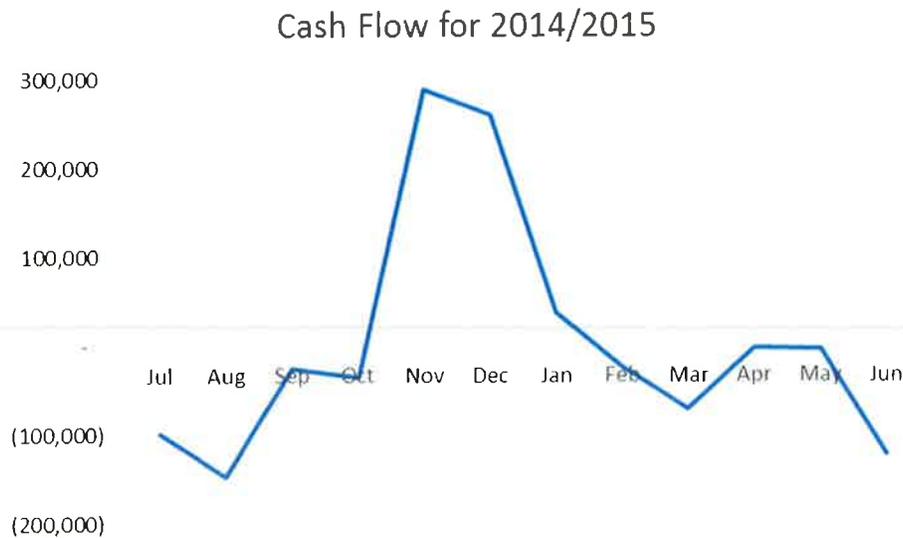
Urban Renewal Agency

- Provides infrastructure within plan area to accelerate development of vacant or underutilized land or property, financed by loan proceeds.
- Processes land use applications and building permits, develops plans for land use, zoning, and transportation, prepares grant applications.
- Pays urban renewal bond principal and interest, financed by tax increment revenues.

General Fund

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
General Fund						
Nondepartmental						
286,208	272,984	299,000	Beginning Balance	278,000		
286,208	272,984	299,000	Other Resources Summary	278,000		
452,363	449,914	463,000	Current Property Taxes	450,000		
21,081	19,783	22,800	Prior Property Taxes	20,400		
95,929	98,501	98,700	Franchise Taxes	97,200		Dahl up in 2015 due to demolitions
40,738	51,925	37,300	Transient Room Taxes	60,000		remittances are increasing and new motel
13,263	13,223	13,200	Business Licenses	13,200		
54,402	57,383	54,500	State Revenue Sharing	55,900		after public hearing, move to approve
1,827	1,978	1,800	Interest Earnings	1,900		
679,602	692,707	691,300	Revenues Summary	698,600		
0	0	-30,000	Loan to UR#3	0		assumes city does not go forward
-12,200	-10,400	-6,500	Transfer to Community Center	-3,800		see page 29
0	-10,000	-20,600	Transfer to Economic Development	-41,300		see page 30
-35,000	-35,000	-40,000	Transfer to Library Services	-40,000		see page 26
-5,000	-15,500	-38,400	Transfer to Parks & Recreation	-27,800		see page 28
-52,200	-70,900	-135,500	Transfer Summary	-112,900		
0	0	-24,342	Contingency	-23,439		3% of operating revenues
0	0	-24,342	Contingency Summary	-23,439		
0	0	-200,000	Unappropriated	-200,000		for 2018 cashflow
0	0	-200,000	Unappropriated Summary	-200,000		
913,610	894,790	630,458	Nondepartmental Summary	640,261		

The cash flow chart shown below illustrates the timing of tax revenue and the need for an unappropriated requirement.



General Fund Notes

The General fund accounts for unrestricted resources shown on the previous page. Resources of other funds are legally restricted or committed to expenditure for specified purposes. The General fund has and continues to support the Community fund through transfers. Once money is transferred to the Community fund, those revenues are restricted for specific purpose expenditures, such as library services, parks, or the community center.

Tax Revenue

Property taxes are the largest revenue source for the general fund. The permanent operating tax rate for the city is \$2.3328 dollars per \$1,000 of assessed value. This permanent rate does not change pursuant to state law. The law limits the increase in assessed value to 3% per annum, plus the value of any new construction which is over \$10,000. Assessed value is estimated to increase 1% in the proposed budget.

Fiscal Year	Assessed			Taxes
Ending	Value	Change	Levy	Received
2014	206,191,430	0%	481,010	452,363
2015	204,255,560	-1%	476,488	449,914
2016	203,161,520	-1%	473,935	445,000
2017				
<i>Estimate</i>	<i>205,193,135</i>	<i>1%</i>	<i>478,675</i>	<i>450,000</i>

Franchise taxes are charged to utilities for the use of the public right-of-way. Central Lincoln PUD pays a franchise tax of 0.75% for industrial electric service and 3.5% for all other electric services. Alsea River Cable and Coast Com pay 5% franchise tax, Dahl Disposal pays 3%, and Pioneer Telephone pays 4%.

Transient Room Taxes are paid by each transient in the amount of 7% of the rent charged by the operator. Room taxes, collected by the operator, are remitted to the city quarterly.

State Revenue Sharing

As per ORS 221.770, a share of certain state revenues shall be distributed to the cities for general purposes **provided the city elects to receive distributions and holds two public hearings at which citizens have the opportunity to provide written and oral comment.** State Revenue Sharing includes cigarette tax revenue and two separate distributions for liquor tax revenue. 20% of state liquor receipts are distributed on a per capita basis monthly. 14% of state liquor receipts are allocated quarterly by a formula that compares per capita income and property taxes with a statewide average. Proposed budget assumes no marijuana tax.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Administration						
133,518	152,975	165,634	Internal Cost Recovery	155,456	see page 14	
133,518	152,975	165,634	Other Resources Summary	155,456		
3,380	3,330	3,300	Administration Fees	3,400		
11,242	8,748	2,767	Urban Renewal Contract	4,418	see page 14	
0	0	0	Copier Loan Proceeds	10,000	considered capital lease	
14,622	12,078	6,067	Revenues Summary	17,818		
-181,500	-191,532	-211,750	Salaries & Wages (3.5 FTE)	-220,210	increased 0.2 FTE in 2015	
-49,890	-49,109	-52,678	Health Insurance	-55,530		
-19,238	-21,249	-25,384	PERS	-26,398		
-13,772	-14,524	-16,199	Social Security	-16,846		
-257	-245	-443	Workers Comp	-440		
-264,657	-276,659	-306,454	Personnel Services Summary	-319,424		
-5,957	-5,368	-5,500	Supplies	-5,700		
-8,441	-7,410	-8,100	Utilities	-8,000		
-12,476	-9,697	-11,700	Insurance	-11,600	1/2 of general liability moved to PW in 2015	
-3,898	-3,855	-4,000	Memberships	-4,000		
-1,647	-1,193	-1,500	Postage	-1,500		
-7,545	-3,582	-3,200	Training, Travel	-4,000		
-68,700	-46,681	-45,700	Contract Services	-33,000	code compliance moved to public safety	
-2,910	-4,210	-3,200	Public Works Services	-5,000	see page 14	
-14,188	-4,798	-7,000	City Hall Maintenance	-6,000	exterior paint in 2014	
-8,821	-9,850	-10,500	Equipment R&M	-7,300		
-134,583	-96,644	-100,400	Materials & Services Summary	-86,100		
0	0	0	Copier Capital Lease	-10,000	state procurement contracts	
0	0	0	Capital Outlay Summary	-10,000		
-251,100	-208,249	-235,153	Administration Summary	-242,250		

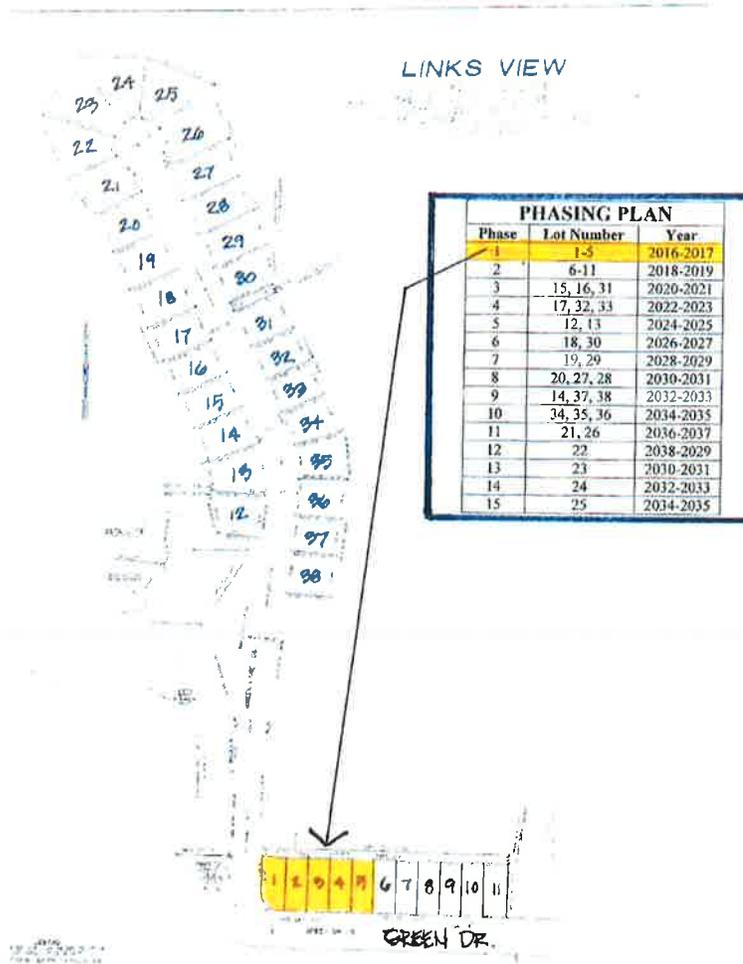
Administration Notes

Materials & Services Descriptions		Estimate	Totals
Supplies	Paper, kitchen, bathroom supplies	3,600	
	Bank fees, OR Ethics Commission	1,300	
	Printing and ads	800	5,700
Utilities	Internet, phone	3,700	
	Electricity	2,800	
	Water and sewer	1,500	8,000
Insurance	General liability and property	11,600	11,600
Memberships	Council of Governments	2,200	
	League of Oregon Cities	1,600	
	OMA, OAMR	200	4,000
Postage	US Post Office	1,500	1,500
Training, Travel	City Council, City Manager	4,000	4,000
Contract Services	Attorney services	7,500	
	Audit services	18,000	
	Election services	1,500	
	Information technology services	6,000	33,000
Public Works Services	City hall maintenance	5,000	5,000
City Hall Maintenance	Janitorial, landscaping services	4,500	
	Heating and electrical	1,500	6,000
Equipment R&M	Copier lease and maintenance	3,300	
	Office 365, accounting, website software	3,000	
	Computer hardware	1,000	7,300
Materials & Services Summary		86,100	86,100

Capital Outlay Description

Capital lease payments create the same kind of obligation that interest payments on debt create and are treated as such by the Financial Accounting Standards Board (FASB). For budgeting purposes the city recognizes loan proceeds, the capital asset, and the annual lease (or loan) payment.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Land Use Planning						
4,570	3,689	5,000	Planning Fees	5,000		
4,600	3,600	4,600	Grant Proceeds - DLCD	0	loss of Coastal Mgmt funding	
0	0	0	Interfund Services (Parks MP)	16,200		
5,000	5,000	5,000	Urban Renewal Contract	5,000	see page 14	
14,170	12,289	14,600	Revenues Summary	26,200		
-41,130	-43,188	-44,225	Salaries & Wages (.4 FTE)	-45,104		
-5,847	-6,039	-6,409	Health Insurance	-6,564		
-3,636	-3,818	-3,993	PERS	-4,073		
-2,263	-2,390	-3,383	Social Security	-3,450		
-54	-57	-88	Workers Comp	-90		
-52,929	-55,491	-58,098	Personnel Services Summary	-59,281		
-547	-1,059	-1,000	Supplies	-1,000		
-613	-562	-2,000	Advertising	-3,000	Comp and Estuary Plan Amendments	
-400	-1,380	-5,400	Information Technology Services	0	mapping contract in 2016	
0	-2,497	-2,200	Equipment	0	file cabinets and computer	
-1,560	-5,497	-10,600	Materials & Services Summary	-4,000		
-40,319	-48,699	-54,098	Land Use Planning Summary	-37,081		



FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Public Safety, Court Services						
15,252	19,320	17,000	Court Fines	17,300		
0	2,000	0	Grant Proceeds - LC	0	emergency preparedness grants	
15,252	21,320	17,000	Revenues Summary	17,300		
-343	-4,142	-500	Supplies	-500		
-358,390	-334,951	-349,007	Sheriff Contract Services	-354,430		
0	0	0	Code Enforcement Services	-13,200	moved from administration	
-1,200	-1,300	-2,500	Municipal Court Services	-2,500		
-1,098	-2,609	-1,200	Public Works Services	-3,100	see page 14	
-3,428	-4,015	-5,000	Court Assessments, Refunds	-4,500		
-364,459	-347,017	-358,207	Materials & Services Summary	-378,230		
-349,207	-325,697	-341,207	Public Safety, Court Services	-360,930		

Public Safety Notes

Pursuant to an intergovernmental agreement, Lincoln County Sheriff's Office provides enhanced law enforcement services for the city. In 2015, sheriff contract costs decreased due to savings realized by the new healthcare plan and a new employee, hired at a lower salary rate than the former employee.

For 2016/2017 Lincoln County Sheriff's Office has provided an estimate of \$334,368; however, the budget does not include potential changes in personnel costs due to contract negotiations. The budget estimate includes an additional 6% for any changes.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
General Obligation Bond						
97,478	96,181	94,500	Beginning Balance	93,000		
97,478	96,181	94,500	Other Resources Summary	93,000		
80,982	81,266	80,029	Current Property Taxes	80,890		
3,774	3,573	4,100	Prior Property Taxes	3,700		
84,756	84,839	84,129	Revenues Summary	84,590		
-53,358	-51,887	-50,349	Bond Interest	-48,742	see page 13	
-32,695	-34,166	-35,704	Bond Principal	-37,311	see page 13	
-86,053	-86,053	-86,053	Debt Service Summary	-86,053		
0	0	-92,576	Debt Reserve	-91,537		
0	0	-92,576	Reserves Summary	-91,537		
96,181	94,967	0	General Obligation Bond Sum	0		

General Obligation Notes

In the September 1992 election, voters approved issuance of general obligation bonds for construction of the wastewater treatment plant. Bonds are repaid with property taxes levied for bonded indebtedness. To cover the 1994 USDA general obligation bond payment, an estimated \$80,890 in property taxes is needed. Assuming a 94% collection rate for property taxes, a levy in the amount of \$86,053 is proposed for bonded indebtedness approved by voters.

Community Fund

Story Telling with Jill Tierce, This is Great Fun!



FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Community Fund						
Library Services						
78,730	85,785	57,400	Beginning Balance	78,000		
35,000	35,000	40,000	Transfer from General Fund	40,000	see page 18	
113,730	120,785	97,400	Other Resources Summary	118,000		
885	939	1,000	Library Fees	900		
162,014	159,230	180,432	Lincoln County Library District	165,585	FYE 2016 reflects a boon from superb circulation	
1,750	386	1,200	Grant Proceeds	1,000		
9,668	3,849	3,500	Contributions	3,500		
174,317	164,404	186,132	Revenues Summary	170,985		
-88,913	-96,865	-106,866	Salaries & Wages (3.3 FTE)	-125,734	increase in hours (FTE) in 2015 and 2017	
-25,420	-25,766	-27,322	Health Insurance	-25,753		
-11,262	-11,589	-13,525	PERS	-14,292		
-6,745	-7,344	-8,175	Social Security	-9,619		
-144	-145	-234	Workers Comp	-251		
-132,483	-141,710	-156,122	Personnel Services Summary	-175,649		
-3,296	-3,744	-5,000	Supplies	-4,000		
-7,920	-7,225	-8,300	Utilities	-8,300		
-3,512	-6,303	-6,942	Memberships	-6,942		
-1,308	-1,135	-1,200	Postage	-1,200		
-447	-295	-800	Training, Travel	-400		
-9,855	-6,644	-9,100	Programming Services	-9,000		
-7,870	-13,950	-6,800	Facility R&M	-6,200	dry rot repairs to east side in 2015	
-11,138	-6,692	-6,300	Equipment	-4,700		
-24,434	-20,038	-25,000	Library Collection	-17,000	addl grants, donations can be used for collections	
-69,780	-66,027	-69,442	Materials & Services Summary	-57,742		
0	0	-7,968	Contingency	-5,594		
0	0	-7,968	Contingency Summary	-5,594		
0	0	-50,000	Unappropriated	-50,000	for 2018 cashflow	
0	0	-50,000	Unappropriated Summary	-50,000		
85,784	77,451	0	Library Services Summary	0		

Library Notes

Intergovernmental Revenue

Our primary resource for funds is our contract with the **Lincoln County Library District (LCLD)**. Each year it reimburses libraries for services provided to residents of the district areas. Using a formula reflecting circulation to district residents and operating expenses, LCLD calculates how its tax revenue will be shared among the participating libraries. The proposed reimbursement of \$165,585 is in line with our shares historically. The 2015/2016 reimbursement of \$180,432 was an unexpected shift in the shares reflecting a particularly good year.

Personnel Services

The increase in Personnel Services reflects changes recommended to sustain the valuable staff that makes this library a vital resource in our community.

- Following a review of job descriptions and a comparison of wages for similar libraries, it is proposed to rename two positions and to describe wage increases for all positions.
- Expand the Senior Librarian position to 40 hours.
- Describe a new Library Director position @ .8 FTE

Materials & Services Descriptions		Estimate	Totals
Supplies	Supplies, library cards, signage	4,000	4,000
Utilities	Internet, phone	3,200	
	Electricity	3,700	
	Water and sewer	1,400	8,300
Memberships	Chinook Library Network for Interactive Library Services, E Brary, and Library 2 Go	6,542	
	Oregon Library Association	400	6,942
Postage		1,200	1,200
Training, Travel	Workshops, mileage, conferences	400	400
Programming Services	Summer reading programs	5,350	
	Literacy & youth programs	1,500	
	Volunteers	1,300	
	Adult programs & webpage	850	9,000
Facility R&M	Janitorial services	3,200	
	Repair, maintenance, replacements	3,000	6,200
Equipment	Contracted repair, maintenance, replacements		
	Public computers	2,100	
	Staff computers	2,600	4,700
Library Collection	Print	9,500	
	Audio, video, books on CD	4,500	
	Periodicals	3,000	17,000
Materials & Services Summary		57,742	57,742

While budget is less for library collection, staffing changes are intended to increase level of service by providing more individualized attention to patrons. If grants and gifts for specific collections are attained, they could augment the library collection.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Community Fund						
Parks & Recreation						
5,568	-4,285	-4,500	Beginning Balance	14,400		
5,000	15,500	38,400	Transfer from General Fund	27,800	see page 18	
10,568	11,215	33,900	Other Resources Summary	42,200		
0	0	5,000	Grant Proceeds - FFF	0	Open Space Charrette	
0	0	31,980	Grant Proceeds - Lint Slough	22,340		
0	0	15,000	Grant Proceeds - Master Plan	12,335		
0	0	17,100	Grant Proceeds - Waziyata	14,505		
292	473	2,500	Contributions - Lint Slough	0	Izaak Walton League in 2016	
292	473	71,580	Revenues Summary	49,180		
-1,277	-1,376	-1,200	Park Materials	-1,200		
-2,618	-2,638	-2,800	Utilities	-2,800		
0	-2,287	-5,000	Open Space Consultant Services	0		
-6,935	-3,132	-3,000	Public Works Services	0	changed to LC Parole & Probation	
-4,315	-4,701	-5,000	Landscape Services	-5,000		
0	0	0	Open Space Maintenance	-5,000		
0	-900	-2,000	Restroom Cleaning	-2,000	restroom contract began in 2015	
0	0	0	Trail Maintenance	-3,000	LC Parole & Probation	
-15,145	-15,034	-19,000	Materials & Services Summary	-19,000		
0	0	-40,080	Lint Slough Trail	-28,000		
0	0	-25,000	Parks, Rec & Trails Master Plan	-26,200		
0	0	-21,400	Waziyata Beach Access	-18,180		
0	0	-86,480	Capital Outlay Summary	-72,380		
-4,285	-3,346	0	Parks & Recreation Summary	0		
Park Development						
7,590	10,873	13,300	Beginning Balance	17,200		
7,590	10,873	13,300	Other Resources Summary	17,200		
3,283	3,843	2,500	SDC Improvement	2,500		
3,283	3,843	2,500	Revenues Summary	2,500		
0	0	-15,800	SDC Reserve	-19,700		
0	0	-15,800	Reserves Summary	-19,700		
10,873	14,716	0	Park Development Summary	0		

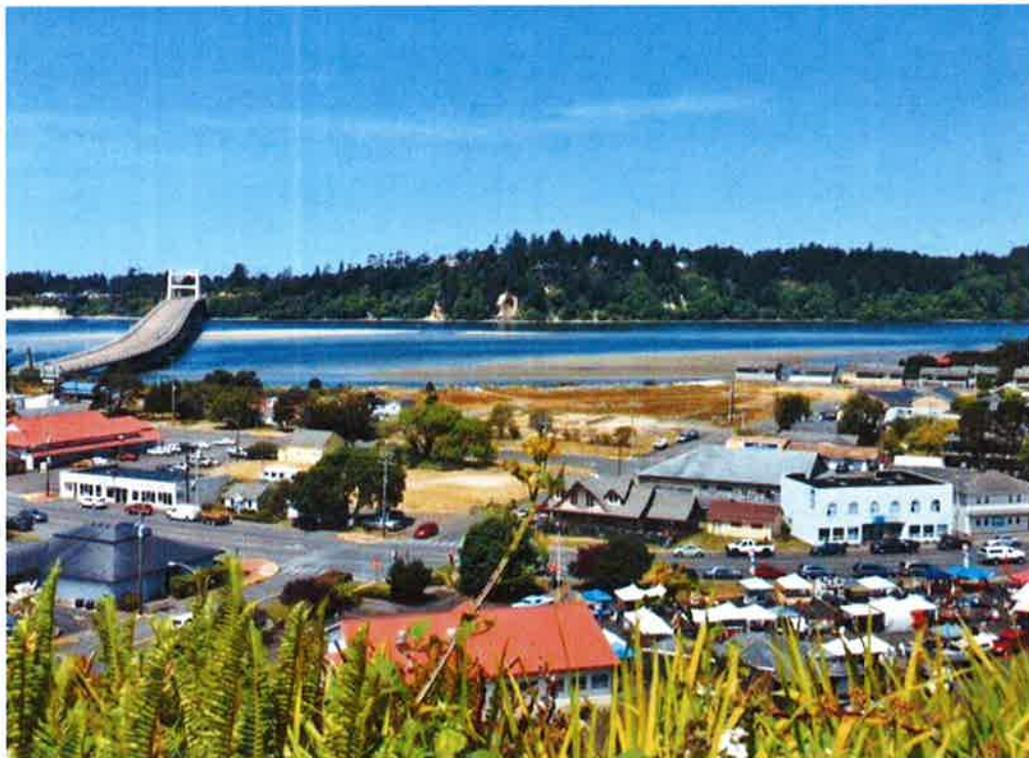
Park Notes

Lint Slough Trail Construction, along the west side of the slough from the new 11.5 acre open space site south, includes approximately .6 mile of trail, viewing platforms, a kayak launch, trailhead parking, and way finding signs.

Parks, Recreation & Trails Master Plan will include development of a system-wide parks and recreation plan, a site-specific park master plan, and a well-connected trail system plan for the city.

Waziyata Beach Access includes drainage improvements, vegetation clearing, grading, and trail construction. The site historically provided beach access however drainage, erosion and vegetation now prevent access to the beach. Drainage will be channelized to prevent future erosion.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Community Center						
-9,552	-1,422	0	Beginning Balance	900		
12,200	10,400	6,500	Transfer from General Fund	3,800	see page 18	
2,648	8,978	6,500	Other Resources Summary	4,700		
12,100	13,771	16,000	Rental Fees	16,000		
2,447	2,534	2,200	Contributions	2,500		
14,547	16,305	18,200	Revenues Summary	18,500		
-823	-904	-800	Supplies	-800		
-6,209	-6,284	-6,700	Utilities	-6,700		
-2,694	-2,741	-2,000	Advertising	-2,500		
-3,625	-4,743	-7,200	Contract Services	-5,200		
-5,266	-9,328	-8,000	Facility R&M	-8,000	electrical, plumbing repairs in 2015	
-18,617	-24,000	-24,700	Materials & Services Summary	-23,200		
-1,422	1,283	0	Community Center Summary	0		



Waldport Working Budget Document

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Community Fund						
Economic Development						
50,128	40,114	33,700	Beginning Balance	-5,800		
0	10,000	0	Transfer from General Fund	41,300	see page 18	
50,128	50,114	33,700	Other Resources Summary	35,500		
0	0	5,000	Grant Proceeds - FFF	0	SLC Art Mosaic Planters	
0	0	4,400	Contributions	0	RARE	
0	0	7,000	Contributions	0	SLC Art Mosaic Planters	
0	11,921	4,500	Contributions	0	Reader Board	
0	11,921	20,900	Revenues Summary	0		
-2,061	-195	-2,200	Marketing Materials	-1,900	trail maps in 2014	
-1,500	-1,500	-2,500	Events Participation	-2,500		
0	0	-12,000	SLC Art Mosaic Planters	0		
-3,000	-3,000	-3,000	Waldport Chamber of Commerce	-3,000		
-500	-1,000	-1,000	Memberships	-1,100	LC Land Trust, OCVA, EDA of LC	
0	0	-22,000	Community Development Contract	-23,600		
-575	-582	-600	Alsi Historical Museum	-700	water and sewer	
0	0	-1,000	CC for Clean Air	0		
-500	-500	0	Citizen's Patrol	-500		
-600	-600	-1,000	COG Meals on Wheels	-1,000	contract approved with use fee waived	
-778	-697	-700	Kendall Ballfield	-700	water and sewer for restroom	
-500	-500	-500	OCCC Entrepreneurship	-500		
-10,014	-8,574	-46,500	Materials & Services Summary	-35,500		
0	-16,741	-4,500	Free Standing Reader Board	0		
0	-16,741	-4,500	Capital Outlay Summary	0		
0	0	-3,600	Contingency	0		
0	0	-3,600	Contingency Summary	0		
40,114	36,721	0	Economic Development Sum	0		
Scenic Byway/Corridor Mgmt Plan						
0	0	2,500	Beginning Balance	1,250		
0	0	2,500	Other Resources Summary	1,250		
0	0	12,000	Grant Proceeds - LC	6,000		
0	0	15,500	Contributions	0		
0	0	27,500	Revenues Summary	6,000		
0	0	-30,000	Scenic Byway/Corridor Mgmt Plan	-7,250		
0	0	-30,000	Capital Outlay Summary	-7,250		
0	0	0	Scenic Byway/Corridor Mgmt	0		
Industrial Area Master Plan						
0	0	0	Beginning Balance	20,600		
0	0	0	Other Resources Summary	20,600		
0	0	0	Grant Proceeds - DLCD	60,000		
0	0	60,000	Grant Proceeds - IFA	0		
0	0	0	Contributions	25,000		
0	0	20,600	Transfer from General Fund	0		
0	0	80,600	Revenues Summary	85,000		
0	0	-80,600	Industrial Area Master Plan	-105,600		
0	0	-80,600	Capital Outlay Summary	-105,600		
0	0	0	Industrial Area Master Plan S	0		

Water Fund



Sewer Fund



FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Water Fund						
Operations						
307,095	311,693	330,367	Base Charges	334,921	decrease in large meters in 2015	
169,390	178,225	184,012	Usage Charges	192,786		
18,717	14,967	15,000	Other Charges	16,800		
185	381	200	Assessments	0		
3,226	1,000	0	Grant Proceeds, Misc	0	risk mgmt grant, quit claim deed	
711	681	1,000	Interest Earnings	700		
499,325	506,947	530,579	Revenues Summary	545,207		
-5,393	-4,527	-6,400	Permits, Supplies	-6,400		
-10,989	-10,515	-10,000	Plant Utilities	-11,500		
-3,790	-3,909	-4,100	Insurance	-4,600		
-3,721	-3,600	-4,300	Postage	-3,600		
-4,741	-7,121	-10,000	Contract Services	-7,500		
-238,137	-208,759	-255,800	PW Plant Services	-248,800	see page 14	
-101,396	-102,562	-114,450	PW Distribution Services	-122,200	see page 14	
-18,762	-16,680	-32,000	Plant Equipment R&M	-25,000		
-9,018	-11,630	-15,000	Plant Chemicals	-15,000		
-9,854	-14,777	-25,500	Distribution R&M	-23,000		
-405,801	-384,081	-477,550	Materials & Services Summary	-467,600		
-59,232	-74,409	-74,623	ICR to General	-65,587	see page 14	
-59,232	-74,409	-74,623	Transfer Summary	-65,587		
0	0	-25,141	Contingency	-27,091	5% of operating revenues	
0	0	-25,141	Contingency Summary	-27,091		
34,292	48,457	-46,735	Operations Summary	-15,071		

Water Fund Notes

Utility Service Charges

Water users are billed monthly based upon their meter size and water consumption. Council has designated a portion of revenues reserved for system improvements. Water rates increased 3% effective July 2015 and then 2.23% in August 2015 to support debt service for the new public works property. Budget water charges for 2017 are shown with a 2.4% increase to the rates, based upon the National Construction Cost Index (CCI), pursuant to Resolution 1143, contingent upon Council review and approval.

Meter Capacity	Meter Size	# of Services Inside City	# of Services		Inside City Base Rate	Outside City Base Rate	Operations Base Fees	Reserve Base Rate	Reserve Base Fees
			Outside City	Inside City					
1	5/8"	1,045	218		17.97	26.96	295,886	4.10	62,079
2.5	1"	21	2		44.93	67.40	12,940	10.24	2,826
5	1.5 "	5	0		89.86	134.80	5,392	20.48	1,229
8	2"	12	0		143.77	215.68	20,703	32.77	4,719
Totals		1,083	220				\$334,921		\$70,853

Average Residential Customer using 4 units	Last Year's Usage	Operations Usage Rate	Operations Usage Fees
\$31.45	82,213	2.34	\$192,786

Materials & Services Descriptions	Estimate	Totals	
Permits, Supplies	Permits, lab supplies, billing stock	6,400	6,400
Plant Utilities	Electricity	8,800	11,500
	Telemetry, phone, sewer	2,700	
Insurance	Property, machinery	4,600	4,600
Postage	Bulk mail for utility billings	3,600	3,600
Contract Services	Mapping services, lab analysis	7,500	7,500
Plant Services	Public works services	248,800	248,800
Distribution Services	Public works services	122,200	122,200
Plant Equipment R&M	Preventative maintenance, Electrical repairs, valve replacements	25,000	25,000
Plant Chemicals	Superfloc, salt, soda ash, alum chloride	15,000	15,000
Distribution R&M	Pipe, radio read meters, fittings	15,000	23,000
	Field Logic hand held device	8,000	
Materials & Services Summary		467,600	467,600

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Water Fund						
Water Reserves						
184,276	120,919	166,000	Beginning Balance	125,000		
27,446	0	0	Transfer from Streets	0		
0	0	0	Loan Proceeds - IFA	74,000	see page 13	
211,722	120,919	166,000	Other Resources Summary	199,000		
65,065	65,949	69,912	Reserve Charges	70,853		
0	0	0	Grant Proceeds - FEMA	108,750	Eckman Creek flood damage	
0	0	0	Grant Proceeds - IFA	111,000	water plant upgrades	
0	0	0	Insurance Proceeds	33,000	pump station flood damage	
65,065	65,949	69,912	Revenues Summary	323,603		
0	0	-20,000	Eckman Creek Flood Repairs	-178,000	FEMA pump station and waterline	
-27,556	0	0	Lint Slough Waterline S	0		
-29,590	0	0	McKinneys Slough Waterline	0		
0	-25,855	0	Property Purchase PW Shop	0		
-6,796	-9,269	-37,000	Reservoir Rehabilitation	-35,000		
-75,397	0	0	Southworth Land	0		
-21,205	0	-10,000	Water Plant Upgrades/Master Plan	-195,000	IFA loan and grant proceeds	
-8,918	-13,818	-15,000	Water Rights	-5,000		
0	0	-10,000	Waterline Tie In (Skyline/Chad)	-10,000		
-169,462	-48,942	-92,000	Capital Outlay Summary	-423,000		
-7,835	-7,147	-6,820	Debt Interest	-6,167	see page 13	
-33,010	-33,175	-33,342	Debt Principal	-33,510	see page 13	
-40,844	-40,322	-40,162	Debt Service Summary	-39,677		
0	0	-31,250	Transfer to PW	0		
0	0	-31,250	Transfer Summary	0		
0	0	-23,750	Capital Reserve	-35,000		
0	0	-22,160	Debt Reserve	-30,000		
0	0	-45,910	Reserves Summary	-65,000		
66,481	97,605	26,590	Water Reserves Summary	-5,074		
SDC Reimbursement						
41,983	68,108	58,000	Beginning Balance	34,700		
41,983	68,108	58,000	Other Resources Summary	34,700		
20,776	16,684	15,700	SDC Reimbursement	16,100		
20,776	16,684	15,700	Revenues Summary	16,100		
0	0	-53,555	SDC Reserve	-30,655		
0	0	-53,555	Reserves Summary	-30,655		
62,759	84,792	20,145	SDC Reimbursement Summar	20,145		
SDC Improvement						
23,058		27,200	Beginning Balance	29,200		
23,058		27,200	Other Resources Summary	29,200		
2,436	1,955	1,800	SDC Improvement	1,900		
2,436	1,955	1,800	Revenues Summary	1,900		
0	0	-29,000	SDC Reserve	-31,100		
0	0	-29,000	Reserves Summary	-31,100		
25,494	1,955	0	SDC Improvement Summary	0		

Water Fund Notes

Capital Outlay Descriptions

On December 17th 2015, **Eckman Creek** plugged a ten-foot culvert and washed out a 6" water main. It also flooded Waldport's Eckman Creek pump station ruining the electronics in the control panel. The county cut a channel through the road to relieve the water, and we have restored water service to customers in that area by contracting the installation of a temporary 2" surface mounted bypass line across the culvert. The proposed project would provide a property sized water line to the existing 6" water line on Eckman Creek Road. FEMA declared the area a natural disaster and will reimburse at 75% of costs. Our insurance deductible in this situation for the Eckman Creek pump station would be \$25,000.

The **2 million gallon reservoir** needed a new interior coating. Draining, cleaning, blasting, and repainting of the interior were completed in spring of 2014. Project costs as of 6/30/2014 were \$267,429, funded by loan proceeds of \$165,000 and augmented by water fund reserves. During FYE 2015, additional project costs of \$9,269 included paint inspections and engineering for the recoating problems detected. In FYE 2016 project costs have included additional evaluations, engineering, and legal costs; as of 12/31/2015, project costs total \$306,693. We are pursuing a remedy to complete the interior in the spring of 2017, prior to the peak season.

Backwash water is not being recycled at the correct location of the **water treatment plant**, which is a deficiency noted by Oregon Health Authority. The proposed solution is to assess the facility and coordinate with the Oregon Health Authority to resolve the deficiency, provide plans and construct improvements, and update the Water Master Plan, which was completed in 2002. Engineering and construction costs are estimated at \$195,000 at this time.

Raw water sources should be developed to supply enough water for the 50 year demand projections. The proposed expense is for the steps to retain the city's **water rights** on Southworth Creek.

System Development Charges

New services pay system development charges (SDCs), which provide equitable funding for orderly growth and development. New development will reimburse existing owners for the portions of existing infrastructure prepared in anticipation of the new arrivals (the reimbursement fee). New growth will also pay for the costs of proposed infrastructure that would not be required except for the needs of growth (the improvement fee). The intention is that neither existing users nor new users subsidize the other, but rather that each pays their fair share.

FYE	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues	44,915	39,244	43,283	12,581	11,164	9,180	18,984	12,916	23,212	15,234
# of residential equivalents	19	16	17	5	4	3	6	4	7	4

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Sewer Fund						
Operations						
356,406	369,971	389,591	Base Charges	390,491	no rate increase for 2017	
139,450	143,302	147,076	Usage Charges	148,651	no rate increase for 2017	
4,790	6,450	5,000	Other Charges	5,600		
912	1,067	1,100	Interest Earnings	1,000		
501,559	520,790	542,767	Revenues Summary	545,742		
-9,000	-7,615	-8,000	Permit, Supplies	-8,000		
-24,434	-26,090	-27,000	Plant Utilities	-27,000		
-20,102	-21,448	-23,000	Collection Utilities	-23,000		
-9,691	-10,340	-10,500	Insurance	-10,200		
-2,494	-2,400	-2,800	Postage	-2,400		
-592	-3,700	-5,000	Contract Services	-3,700	mapping services	
-173,715	-178,416	-209,800	PW Plant Services	-212,600	see page 14	
-117,439	-114,285	-132,950	PW Collection Services	-136,200	see page 14	
-16,997	-1,081	-26,500	Plant Equipment R&M	-20,000	integrated controls	
-14,588	-31,989	-25,000	Pump Station R&M	-25,000		
-2,858	-5,297	-15,000	Collection R&M	-15,000		
-391,912	-402,661	-485,550	Materials & Services Summary	-483,100		
-50,819	-51,938	-59,744	ICR to General	-60,988	see page 14	
-50,819	-51,938	-59,744	Transfer Summary	-60,988		
0	0	-23,632	Contingency	-43,896	8% of operating revenues	
0	0	-23,632	Contingency Summary	-43,896		
58,828	66,191	-26,159	Operations Summary	-42,242		

Sewer Fund Notes

Utility Service Charges

Sewer system users are billed monthly for a base charge and a conveyance usage charge. Council has designated a portion of revenues reserved for system improvements. Sewer rates increased 3% effective July 2015 and then 2.23% in August 2015 to support debt service for the new public works property. Budget sewer charges for 2017 are shown with **no** increase to the rates, considering prior year rate increases, cost of services, and the minimum impact to customers, contingent upon Council review and approval.

Classification	# of Services	# of EDU	Operations Base Rate	Operations Base Fees	Reserve Base Rate	Reserve Base Fees
Residential	745	745	26.77	239,324	2.46	21,992
Multiple Dwellings	27	27	26.77	8,673	2.46	797
Multiple Dwellings	29	224	24.09	64,754	2.46	6,612
Commercial	142	242	26.77	77,740	2.46	7,144
Totals	943	1238		\$390,491		\$36,546

Average Residential Customer using 4 units	Last Year's Usage	Operations Usage Rate	Operations Usage Fees	Reserve Usage Rate	Reserve Usage Fees
\$41.15	54,055	2.75	\$148,651	0.23	\$12,433

Materials & Services Descriptions	Estimate	Totals	
Permit, Supplies	Permit, lab supplies, billing stock	8,000	8,000
Plant Utilities	Electricity	24,600	27,000
	Water	2,400	
Collection Utilities	Electricity	17,300	23,000
	Telemetry, phone, water	5,700	
Insurance	Property, machinery	10,200	10,200
Postage	Bulk mail for utility billings	2,400	2,400
Contract Services	Mapping services	3,700	3,700
Plant Services	Public works services	212,600	212,600
Collection Services	Public works services	136,200	136,200
Plant Equipment R&M	Preventative maintenance, electrical repairs	20,000	20,000
Pump Station R&M	Preventative maintenance, electrical repairs	25,000	25,000
Collection R&M	Repair parts include pipe, manholes, valves	15,000	15,000
Materials & Services Summary		483,100	483,100

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Sewer Fund						
Sewer Reserves						
277,964	270,470	256,000	Beginning Balance	209,000		
277,964	270,470	256,000	Other Resources Summary	209,000		
44,638	46,560	49,106	Reserve Charges	48,978	no rate increase for 2017	
1,911	507	400	Assessments	400		
46,549	47,067	49,506	Revenues Summary	49,378		
0	0	-28,750	Inflow & Infiltration	-30,000		
0	0	-60,000	Lagoon Sludge Removal	-60,000	rescheduled for 2017	
-68,649	0	0	Pump Station Upgrade	0		
-68,649	0	-88,750	Capital Outlay Summary	-90,000		
-34,700	-33,800	-32,603	Debt Interest	-28,977	see page 13	
-28,485	-29,568	-95,626	Debt Principal	-16,441	see page 13	
-63,185	-63,368	-128,229	Debt Service Summary	-45,418		
0	0	-31,250	Transfer to PW	0		
0	0	-31,250	Transfer Summary	0		
0	0	0	Capital Reserve	-50,000		
0	0	-45,418	Debt Reserve	-45,418		
0	0	-45,418	Reserves Summary	-95,418		
192,679	254,169	11,859	Sewer Reserves Summary	27,542		
SDC Reimbursement						
0	0	0	Beginning Balance	0		
0	0	0	Other Resources Summary	0		
18,963	14,185	14,300	SDC Reimbursement	14,700		
18,963	14,185	14,300	Revenues Summary	14,700		
0	0	0	SDC Reserve	0		
0	0	0	Reserves Summary	0		
18,963	14,185	14,300	SDC Reimbursement Summary	14,700		
SDC Improvement						
14,040	17,680	20,400	Beginning Balance	23,200		
14,040	17,680	20,400	Other Resources Summary	23,200		
3,640	2,723	2,800	SDC Improvement	2,800		
3,640	2,723	2,800	Revenues Summary	2,800		
0	0	-23,200	SDC Reserve	-26,000		
0	0	-23,200	Reserves Summary	-26,000		
17,680	20,403	0	SDC Improvement Summary	0		

Sewer Fund Notes

Capital Outlay Description

Inflow and infiltration has decreased in recent years through downtown infrastructure improvements in 1999, replacement of the golf course pump station in 2000, and continued mitigation efforts. Rain events can cause overflows largely because old underground sewer collection pipes continue to age and develop cracks in the pipes and in the joints. It allows rainwater, via soggy soils, to infiltrate the sewer mains, which wind up carrying more water than designed for the overall system. The pumps can't keep up and so the system overflows through manhole covers and other "safety valve" structures.

A portion of the **lagoon sludge** at the Wastewater Treatment Plant will be removed. Biosolids will be removed by boat, bagged, and then hauled from the site for land application.

System Development Charges

New services pay system development charges (SDCs), which provide equitable funding for orderly growth and development. New development will reimburse existing owners for the portions of existing infrastructure prepared in anticipation of the new arrivals (the reimbursement fee). New growth will also pay for the costs of proposed infrastructure that would not be required except for the needs of growth (the improvement fee). The intention is that neither existing users nor new users subsidize the other, but rather that each pays their fair share.

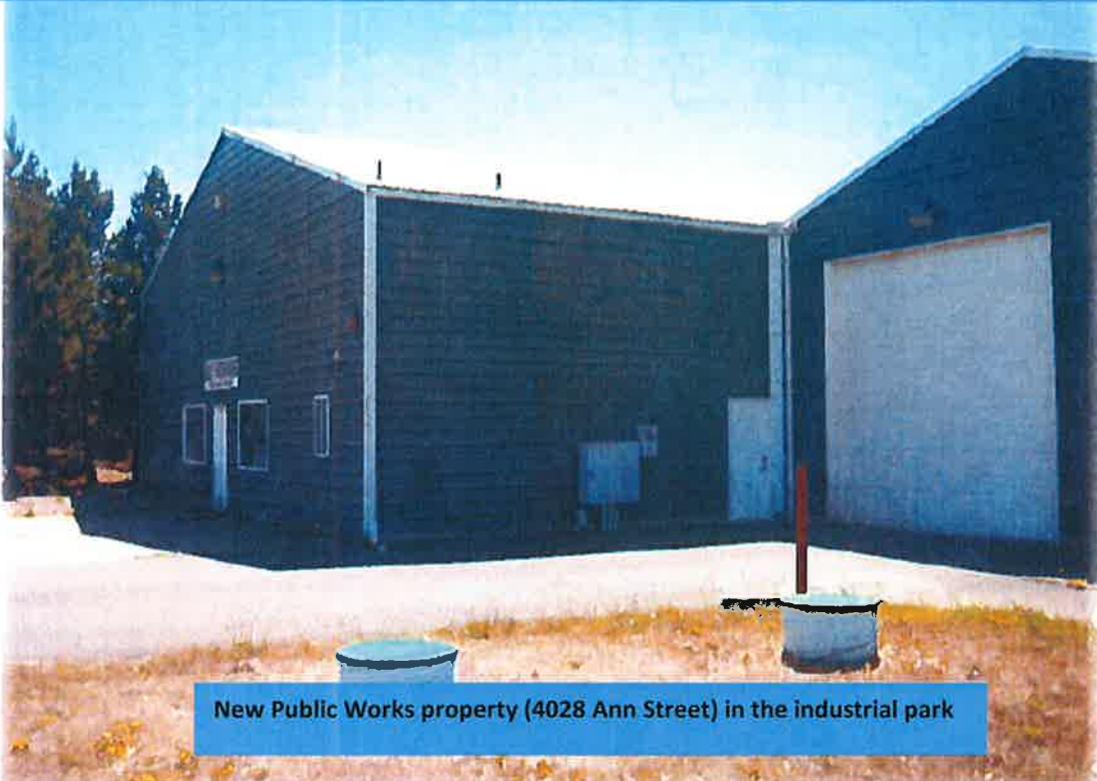
FYE	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues	29,840	53,782	49,315	16,405	13,532	8,940	15,405	9,432	22,603	13,592
# of residential equivalents	10	18	16	5	4	3	5	3	7	4

**2015/2016 Water and Sewer Rate Comparison
for Neighboring Cities and Water Districts**

For comparison, water and sewer rates are shown for residential customers being charged for an average of 4 units of water (2,992 gallons). Rates have been converted from gallons to cubic feet where necessary.

	Water Charges	Sewer Charges	Monthly Charges
Depoe Bay	29.97	22.98	52.95
Lincoln City	22.08	23.73	45.81
Newport	35.47	42.65	78.12
Portland	51.50	38.00	89.50
Seal Rock	49.54		
Southwest Lincoln	46.60		
Toledo	41.21	41.78	82.99
Waldport	30.71	41.15	71.86
Yachats	47.00	47.00	94.00
Average	39.34	36.75	73.60

Public Works Fund



New Public Works property (4028 Ann Street) in the industrial park

Street Fund and Road District



Reduce travel lanes, multi-use path, and Bridgeview Trail

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Public Works Fund						
Operations						
40,666	49,652	40,418	Beginning Balance	34,500		
-23,290	-29,566	-24,765	Addition to Reserve	-22,821		
17,376	20,086	15,653	Other Resources Summary	11,679		
10,023	0	0	Grant Proceeds	0	preferred worker program in 2014	
674	863	700	Interest Earnings	800		
778,379	742,684	880,370	Service Charges	885,000	see page 14	
789,076	743,547	881,070	Revenues Summary	885,800		
-424,645	-394,760	-418,321	Salaries & Wages (8.5 FTE)	-426,763		
-22,126	-19,392	-26,189	On Call Time, Overtime	-27,109		
-158,477	-178,994	-202,468	Health Insurance	-206,464		
-46,874	-38,334	-47,926	PERS	-47,782		
-33,794	-31,216	-34,005	Social Security	-34,721		
-12,517	-18,450	-24,142	Workers Comp, Unemployment	-17,669		
-698,433	-681,147	-753,051	Personnel Services Summary	-760,508		
-9,148	-6,613	-7,500	Supplies, Materials	-7,500		
-8,226	-6,263	-8,300	Utilities	-8,500		
-12,740	-10,587	-16,000	Fuels	-11,000	increases with power outages	
-3,578	-10,470	-11,000	Insurance	-12,000	1/2 of general liability moved to PW in 2015	
-1,293	-1,666	-1,500	Memberships	-1,700		
-6,105	-3,897	-6,300	Training, Travel	-8,000		
-3,247	-7,798	-6,000	Contract Services	-3,000	IT in house	
-14,029	-12,978	-37,000	Vehicle, Equipment R&M	-20,000		
0	0	0	Industrial Park Development	-1,600		
-58,365	-60,271	-93,600	Materials & Services Summary	-73,300		
0	0	-17,550	Debt Interest	-16,660	see page 13	
0	0	-12,820	Debt Principal	-13,710	see page 13	
0	0	-30,370	Debt Service Summary	-30,370		
0	0	-19,702	Contingency	-33,301	4% of operating revenues	
0	0	-19,702	Contingency Summary	-33,301		
49,653	22,215	0	Operations Summary	0		
Reserves						
115,111	118,016	147,582	Beginning Reserve	89,847		
0	0	62,500	Transfers In	0		
0	0	500,000	Loan Proceeds	0		
23,290	29,566	24,765	Addition to Reserve	22,821	see page 15	
138,401	147,582	734,847	Other Resources Summary	112,668		
0	0	30,000	Miscellaneous Revenue	0	sale of excavator	
0	0	30,000	Revenues Summary	0		
0	0	-625,000	New Public Works Facility	-10,000	fencing	
-20,385	0	-50,000	Vehicles, Equipment	0		
-20,385	0	-675,000	Capital Outlay Summary	-10,000		
0	0	0	Debt Reserve	-33,407		
0	0	-89,847	Equipment Reserve	-69,261		
0	0	-89,847	Reserves Summary	-102,668		
118,016	147,582	0	Reserves Summary	0		

Public Works Notes

Materials & Services Descriptions		Estimate	Totals
Supplies, Materials	Tools, lumber, hardware Protective clothing, supplies	7,500	7,500
Utilities	Electricity Phones Water and sewer	4,000 3,800 700	8,500
Fuels	Gasoline, diesel, kerosene	11,000	11,000
Insurance	General and auto liability, property	12,000	12,000
Memberships	LGPI, OAWU, One call, LUCC	1,700	1,700
Training, Travel	Certification, electrician training	8,000	8,000
Contract Services	Temp services, backflow testing	3,000	3,000
Vehicle, Equipment R&M	Preventative maintenance	20,000	20,000
Program Support	Industrial Park Development	1,600	1,600
Materials & Services Summary		73,300	73,300

Capital Outlay Description

New fencing for the new public works facility (4028 Ann Street in the industrial park) is estimated at \$10,000.

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Street Fund						
Nondepartmental						
151,035	114,591	122,500	Beginning Balance	115,000		
151,035	114,591	122,500	Other Resources Summary	115,000		
117,674	116,268	115,000	State Gas Taxes	117,000		
0	0	0	Grant Proceeds - ODOT	54,690	Bridgeview trail engineering	
294	456	400	Interest Earnings	400		
141,900	139,000	146,500	Road District Contract	142,500	see page 46	
259,867	255,724	261,900	Revenues Summary	314,590		
-36,642	-38,928	-39,000	Street Lighting	-44,600		
-5,169	-5,250	-5,000	Storm Utilities	-5,300		
-621	-592	-600	Insurance	-400		
-17,052	-14,938	-30,000	Contract Services	-20,000		
-129,689	-119,943	-141,600	Public Works Services	-142,900	see page 14	
-2,676	-2,186	-3,300	Downtown Restroom	-3,400		
-13,654	-1,590	-8,000	Pumps, Equipment R&M	-4,000	generator and sweeper repairs in 2014	
0	0	-2,000	Bike/Foot Paths	0	use of reserves	
-6,511	-6,822	-15,000	Street R&M	-15,000		
-212,014	-190,249	-244,500	Materials & Services Summary	-235,600		
0	0	0	Bridgeview Trail	-60,950	engineering	
-28,772	0	-20,000	Street Improvements	0		
-28,772	0	-20,000	Capital Outlay Summary	-60,950		
-27,446	0	0	Transfer to Water	0		
-28,079	-26,628	-31,267	ICR to General	-28,881	see page 14	
-55,525	-26,628	-31,267	Transfer Summary	-28,881		
0	0	-15,721	Contingency	-23,310	7% of operating revenues	
0	0	-15,721	Contingency Summary	-23,310		
0	0	-2,954	Bike/Foot Path Reserve	-4,967	ORS 366.514 (1% of gas tax)	
0	0	-25,038	Bridgeview Reserve	-18,779	future grant match for construction	
0	0	0	Street Improvement Reserve	-40,000		
0	0	-14,920	Street Sweeper Reserve	-17,103	uses CCI as estimate for inflation	
0	0	-42,912	Reserves Summary	-80,849		
0	0	-30,000	Unappropriated	0		
0	0	-30,000	Unappropriated Summary	0		
114,592	153,437	0	Nondepartmental Summary	0		

Street Fund Notes

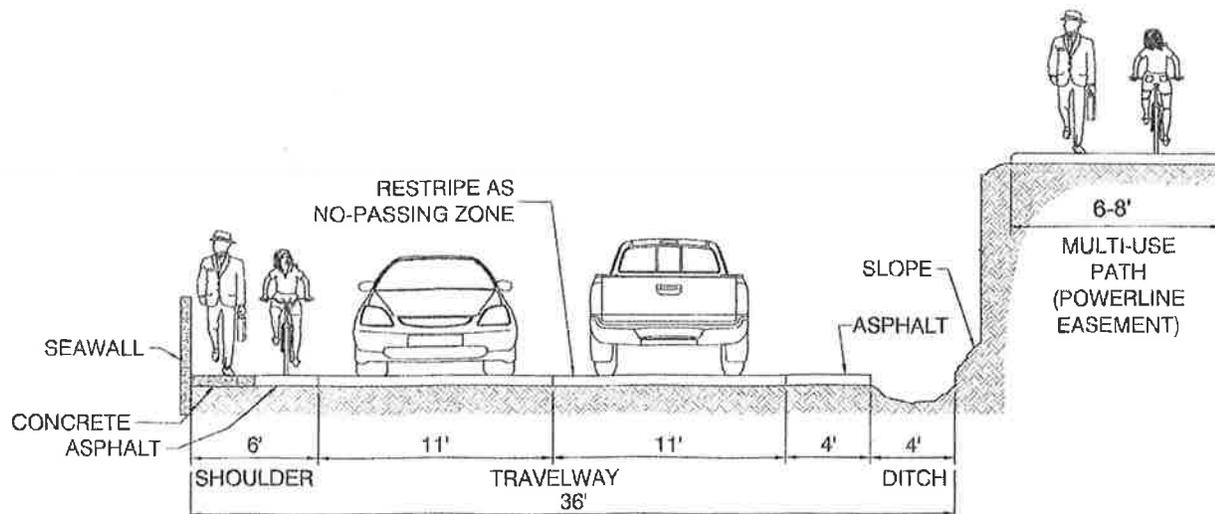
Intergovernmental Revenue

The street fund receives an apportionment of **state gas tax** monthly based upon population. State gas tax increased from \$0.24 per gallon to \$0.30 per gallon on January 1, 2011, as part of the Jobs and Transportation Act.

Materials & Services Descriptions		Estimate	Totals
Street Lighting	Electricity for street lights	44,600	44,600
Storm Utilities	Electricity for (5) storm pumps	5,300	5,300
Insurance	Property coverage for storm pumps	400	400
Contract Services	Striping	9,000	20,000
	Landscape services	7,000	
	Temporary maintenance services	4,000	
Public Works Services	Streets and storm water	142,900	142,900
Downtown Restroom	Janitorial service, supplies	2,200	3,400
	Water, sewer, electricity	1,200	
Pumps, Equipment R&M	Storm pump, sweeper repairs	4,000	4,000
Street R&M	Asphalt patching	10,000	15,000
	Rock, paint, traffic signs	5,000	
Materials & Services Summary		235,600	235,600

Capital Outlay Description

The seawall section of US 101 does not meet current ODOT design standards due to physical constraints with the seawall on the west side and a steep cliff on the east side. This creates a hazardous condition for pedestrians and bicyclists. This project will reduce travel lanes widths from 11.5 to 11.0' and prohibit passing, allow for a multi-use path on the west side, and develop the **Bridgeview Trail** that parallels US 101 20-25' above the level of the highway and is wholly within the ODOT right-of-way.



INTERMEDIATE-TERM PREFERRED ALTERNATIVE
 NARROW TRAVEL LANES SLIGHTLY TO INCREASE NB SHOULDER /
 BIKE LANE, RESTRIPE AS NO-PASSING ZONE, AND CONSTRUCT
 MULTI-USE PATH ON POWERLINE EASEMENT**

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Road District Nondepartmental						
3,507	2,688	2,000	Beginning Balance	3,000		
3,507	2,688	2,000	Other Resources Summary	3,000		
134,979	134,469	138,000	Current Property Taxes	134,000		
6,208	5,629	6,700	Prior Property Taxes	5,900		
144	103	100	Interest Earnings	100		
141,331	140,201	144,800	Revenues Summary	140,000		
-249	-435	-300	District Fees	-500		
-141,900	-139,000	-146,500	Interfund Services	-142,500	see page 44	
-142,149	-139,435	-146,800	Materials & Services Summary	-143,000		
2,688	3,454	0	Nondepartmental Summary	0		

Waldport Road District Notes

Waldport Road District, aka Special Road District #3 of Lincoln County, was established to improve the streets and roads within the boundaries of the city. The district is organized under general laws pertaining to road districts in the state of Oregon. The district board is appointed by and made up of the same members as the common council of the city. However, legally the board is distinct and conducts all business as such. Waldport Road District has the power to assess, levy and collect taxes on all taxable real property with the district.

Tax Revenue

The permanent tax rate for the district is \$0.6960 per \$1,000 of assessed value for operating purposes. The law limits the increase in assessed value to 3% per annum, plus the value of any new construction which is over \$10,000. Assessed value is estimated to increase 1% in the proposed budget.

Fiscal Year	Assessed	Change	Levy	Taxes
Ending	Value			Received
2014	206,191,430	3%	143,249	134,979
2015	204,255,560	-1%	142,182	134,469
2016	203,161,520	-1%	141,400	132,900
2017 Estimate	205,193,135	1%	142,814	134,000

Urban Renewal

Urban renewal is a financing tool to improve areas of a city that are poorly developed or under developed. A maximum amount of principal indebtedness is established with each urban renewal plan. Loan proceeds are used to construct or carry out the project activities of the urban renewal plan. Tax increment revenues are pledged irrevocably to debt retirement.

On February 12, 2015, City Council held a goal setting workshop, facilitated by Wes Hare, Albany's City Manager. Wes Hare outlined the suggestions that had been provided to him prior to the work session and a few were added during the session. Recurring themes appeared and categories were created that included many of these goals. Urban renewal was considered a financing tool for the following categories:

- ◆ Economic development, which includes removing impediments to development, hotel marketing, restaurants, Scenic Byway, downtown improvements, family wage jobs, access to the industrial park, housing, and public art
- ◆ Recreational improvements, which include parks, open space, trails, ball fields, parks district, and port facilities
- ◆ Infrastructure improvements, which include tsunami preparation, transportation improvements, and utilities

PARKS DISTRICT	CLEAN UP 101 FRONTAGE	VIBRANCY + PROSPERITY = HOTEL
HIGH SCHOOL OPEN SPACE SITE	PROMOTE CHILDREN'S ACTIVITIES	INTEGRATED, INCLUSIVE CITY
DOWNTOWN REFINEMENT PLAN	PROMOTE INDUSTRY	BUILD STRONG BUSINESS ORGANIZATION
URBAN RENEWAL	WORK WITH PORT DISTRICT TO BETTER SERVE COMMUNITY	PROACTIVE REGARDING TSUNAMI
TRAILS	TSUNAMI PROOF CITY BUILDINGS	IMPROVE CITY GOVERNMENT ECONOMICALLY
NEXT GENERATION	NEW DESIGN FOR PORT OF ALSEA	ATTRACT INVESTORS FOR OLD MOTEL
COMMUNITY SUSTAINABILITY	PLAN FOR OLD HIGH SCHOOL PROPERTY	REFURBISH WALDPORT DOCKS
NEW LIBRARY	AFFORDABLE HOUSING	PUT WALDPORT ON THE MAP
IMPROVE INFRASTRUCTURE	URBAN RENEWAL	MORE RESTAURANTS
PROGRAMS THAT STIMULATE COMMUNITY INVOLVEMENT	PUBLIC ART	SCENIC BYWAY
HIGHWAY 101 REFINEMENT PLAN	UPDATE PARKS	TRAILS
ATTRACT HOTEL/MOTEL DOWNTOWN	BEACH EROSION	HEALTHY, BEAUTIFUL DOWNTOWN
ACCESS TO INDUSTRIAL SITES	MARKETING PLAN	FAMILY WAGE JOBS
SEWER—SOUTH LID	DOG PARK	HOUSING
HOUSING—WEIGH STATION	COMMUNITY POOL	REMOVING IMPEDIMENTS TO DEVELOPMENT
DEVELOP BRAND	BOARDWALK	

FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Urban Renewal						
UR#1 Construction						
100,061	97,943	83,500	Beginning Balance	85,400		
100,061	97,943	83,500	Other Resources Summary	85,400		
534	489	300	Interest Earnings	500		
534	489	300	Revenues Summary	500		
-305	0	0	UR#1 Fees	0		
-2,347	-7,345	-966	Interfund Services	-3,986	see page 14	
-2,651	-7,345	-966	Materials & Services Summary	-3,986		
0	-5,000	0	Free Standing Reader Board	0		
0	0	0	Hwy 101 Vehicle Access	-5,000	for rehabilitated motel	
0	0	0	Way Finding Program	-25,000		
0	-5,000	0	Capital Outlay Summary	-30,000		
0	0	-82,834	Contingency	-51,914		
0	0	-82,834	Contingency Summary	-51,914		
97,943	86,087	0	UR#1 Construction Summary	0		

Urban Renewal #1 Construction Notes

UR#1 Construction Historical Summary

Revenues

Grants and Contributions	429,051
Interest Earnings	505,166
Loan Proceeds	3,000,000
Revenue Summary	3,934,217

Expenditures

Administration of Renewal Plan	330,497
Preliminary Engineering	371,256
Downtown Revitalization Highway 101	531,303
Economic Development	176,380
Parking Improvements	72,240
Sidewalk Construction	177,140
Stormwater Drainage Improvements	708,571
Street Overlays	156,879
Wastewater Infrastructure Improvements	664,664
Waterline Replacements	659,199
Expenditure Summary	3,848,130

Balance as of 6/30/2015 **86,087**

UR#1 has borrowed \$3 million and reached its maximum indebtedness. Limited funding remains for the UR#1 construction plan.



FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
UR#2 Construction						
12,576	371	88,000	Beginning Balance	76,500		
0	100,000	0	Loan Proceeds	120,000	debt repaid on page 55	
12,576	100,371	88,000	Other Resources Summary	196,500		
6,467	0	0	Grant Proceeds - OR Parks	0	Woodland Trail	
4	436	100	Interest Earnings	200		
6,471	436	100	Revenues Summary	200		
-85	-769	-500	UR#2 Fees	-500		
0	0	-1,500	Advertising	-1,500	notices, special mailing	
0	-250	-250	AORA Membership	-250		
0	-9,402	-21,000	Consultant Services	-21,000	Elaine Howard Consulting	
-9,366	-6,403	-6,801	Interfund Services	-5,432	see page 14	
-9,451	-16,825	-30,051	Materials & Services Summary	-28,682		
0	0	-15,000	Crestline & Range Traffic Calming	0	county improving Crestline pathway	
0	0	-15,000	Industrial Park Sewerline	-5,000	see page 30	
0	0	0	Sewer Plant UV System Upgrade	-90,000	included in UR#2 plan *	
-9,225	0	0	Woodland Trail	0		
-9,225	0	-30,000	Capital Outlay Summary	-95,000		
0	0	-28,049	Contingency	-73,018		
0	0	-28,049	Contingency Summary	-73,018		
371	83,982	0	UR#2 Construction Summary	0		

UR#2 Construction Notes

The excerpt from the Urban Renewal #2 plan shows the project activities with estimated costs in 2005 dollars. Some projects (noted with a v) have been completed.

Urban renewal #2 is in the initial stage for a plan amendment. A series of meetings and public forums to discuss the potential amendment will be held over the course of the year.

Proposed Borrowing

UR#2 has borrowed \$230,000 to date. A borrowing of \$120,000 is proposed, which would bring UR#2 borrowings to \$350,000. Tax increment revenues are pledged irrevocably to debt retirement. Loan proceeds are used to construct or carry out the project activities of the urban renewal plan.

Project Activities	Cost in 2005 Dollars
v Crestline Park	150,000
Sidewalks – Range Drive	500,000
Sidewalks – Crestline Drive	155,000
Loan to Industrial Owners to pay back through LID for sewer line	705,000
* Upgrade sewer plant to accommodate growth	2,000,000
v Water/sewer lines under Lint Slough (8" HDPE)	85,000
New Water Reservoir in project area	854,000
Assist and upgrade fire service and other public service facilities	1,500,000
Assistance for public or private building rehabilitation and new development, Authority for property acquisition	1,000,000
v Path from Crestline Park to ball field	105,000
Partial Assistance for road from Hwy 101 to Crestline south of Range	1,000,000
Administration of renewal plan	375,000
v Entry sign on Hwy 101 – sign, landscape, lights	22,500
Estimated total, 2005 dollars	\$ 8,451,500

Capital Outlay Description

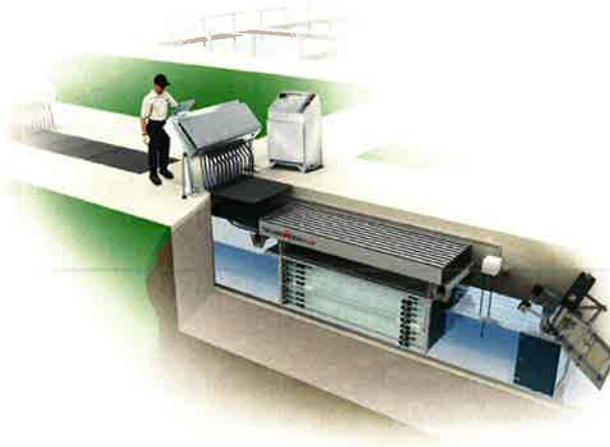
The aging Ultraviolet light disinfection system at the Wastewater plant has exceeded its life expectancy. This UV system disinfects the discharge water prior to entering our waterway without using abrasive chemicals that are aggressive on our bay. To ensure that we can adequately serve our current population as well as our future growth, a replacement system is a crucial UR#2 investment in our future as a striving community. A new UV system will accommodate growth because greater intensity allows treatment of a higher volume. Our UR#2 plan specifies upgrades to the plant to meet growth demands.

Current UV System



Proposed UV System

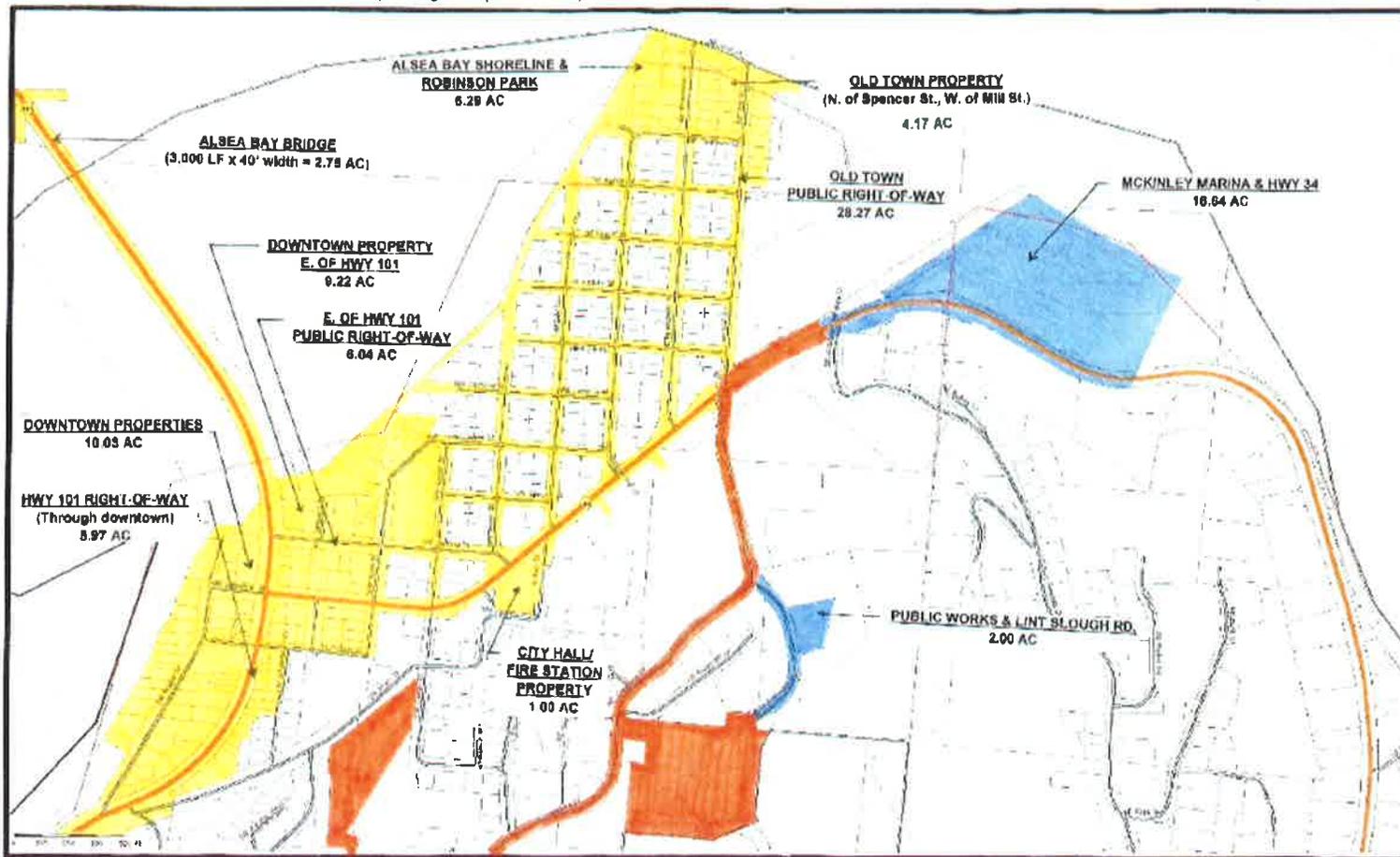
TrojanUV3000Plus



The TrojanUV3000Plus is ideal for plants over 5 MGD who want fewer lamps and automatic sleeve cleaning to reduce labor and maintenance.

- Existing Urban Renewals #2 █
- Proposed Urban Renewals #2 █
- Proposed Urban Renewals #3 █

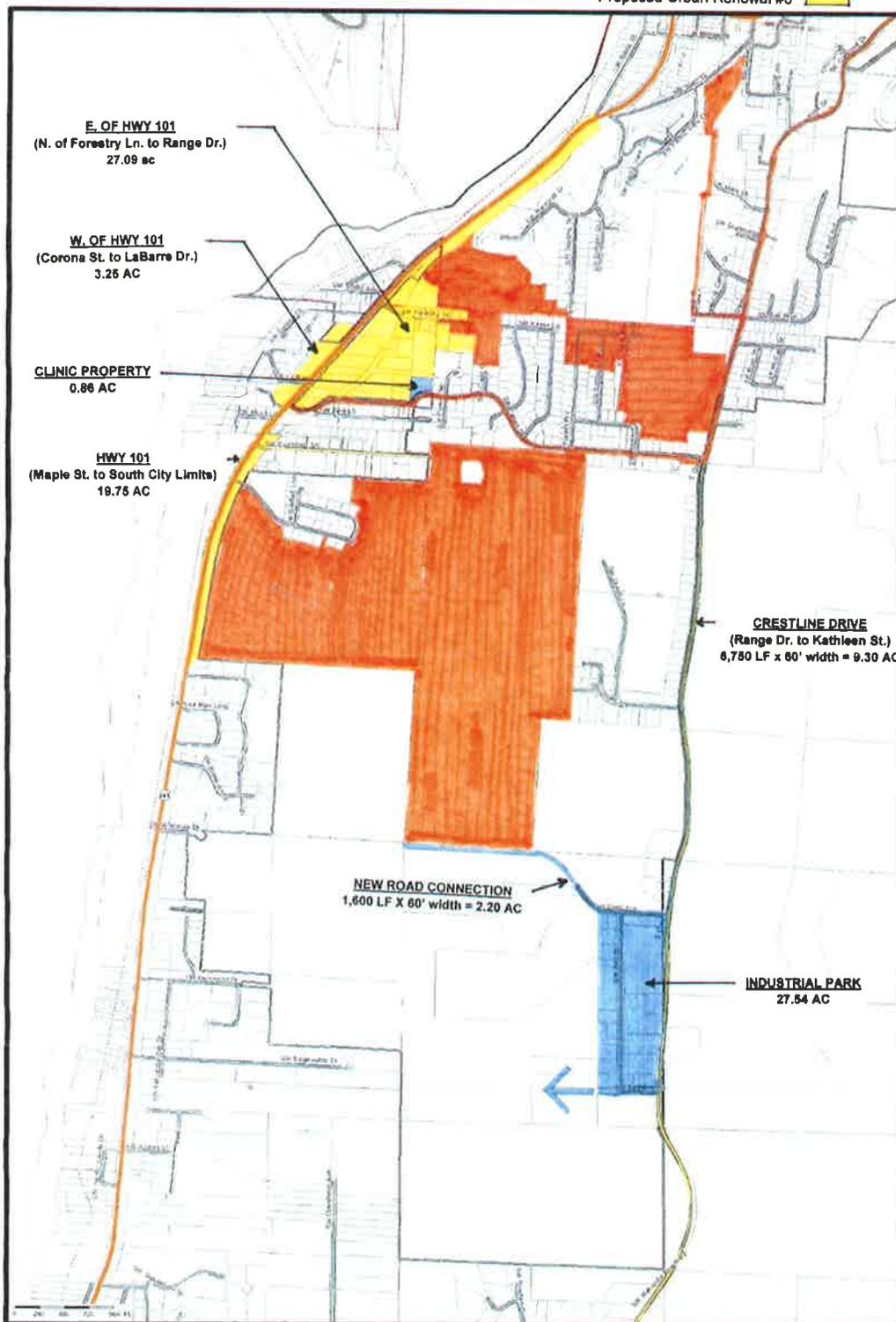
URBAN RENEWAL – NORTH MAP (Existing & Proposed Areas)



Lincoln County government use only. Use for any other purpose is entirely at the risk of the user. This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users should review the primary information sources to ascertain their usability.

URBAN RENEWAL – SOUTH MAP (Existing & Proposed Areas)

- Existing Urban Renewal #2
- Proposed Urban Renewal #2
- Proposed Urban Renewal #3



Lincoln County government use only. Use for any other purpose is entirely at the risk of the user. This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users should review the primary information sources to ascertain their usability.



FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget		FYE 2017 Proposed	FYE 2017 Approved	FYE 2017 Adopted
Urban Renewal Debt						
UR#2 Debt						
40,319	82,080	35,000	Beginning Balance	85,100		
0	0	35,000	Transfer from Old Fund	0		
40,319	82,080	70,000	Other Resources Summary	85,100		
39,838	47,717	49,000	Tax Increment Revenues	58,000		
1,580	1,569	1,700	Prior Property Taxes	1,600		
342	155	100	Interest Earnings	100		
41,760	49,440	50,800	Revenues Summary	59,700		
0	-628	0	Debt Interest	-5,000		
0	-100,000	0	Debt Principal	-120,000	loan proceeds on page 50	
0	-100,628	0	Debt Service Summary	-125,000		
0	0	-35,000	Transfer to New Fund	0		
0	0	-35,000	Transfer Summary	0		
0	0	-85,800	Debt Reserve	-19,800		
0	0	-85,800	Reserves Summary	-19,800		
82,080	30,892	0	UR#2 Debt Summary	0		

Urban Renewal Debt Notes

Tax Revenue

The urban renewal #2 plan began in 2005 and assessed value for the area has increased \$4 million since formation. Assessed value is estimated to increase 10% in the proposed budget.

Fiscal Year	Renewal			Taxes
Ending	Values	Change	Levy	Received
2014	2,971,180	4%	42,424	39,838
2015	3,869,510	30%	50,551	47,717
2016	4,264,030	10%	55,705	52,400
2017				
Estimate	4,690,433	10%	61,275	58,000

The estimated impact of carrying out the urban renewal plan on the tax collections for the fiscal year ending 2015 for all taxing districts is shown in the table (right). Under the current method of funding K-12 level education, the urban renewal program will not result in revenue losses for those educational units of government. The level of funding per student is not dependent on the amount of property tax raised locally.

Taxing District	Revenue Foregone	Permanent Rate Levy	% of Permanent Rate Levy
Lincon County	10,906	19,537,677	0.06%
LC Animal Service	416	762,054	0.05%
LC Extension	167	312,442	0.05%
LC Transportation	375	674,764	0.06%
LC School District	18,981	34,009,774	0.06%
OCCC	666	1,217,208	0.05%
ESD Linn-Benton	1,166	2,112,275	0.06%
Library District	937	875,404	0.11%
Port of Alsea	125	40,068	0.31%
City of Waldport	9,851	484,844	2.03%
Road District	2,473	144,655	1.71%
COC Fire District	3,056	286,142	1.07%
Yachats Fire District	39	145,667	0.03%
Pac Com Health	1,394	1,283,549	0.11%
Total	\$ 50,551		

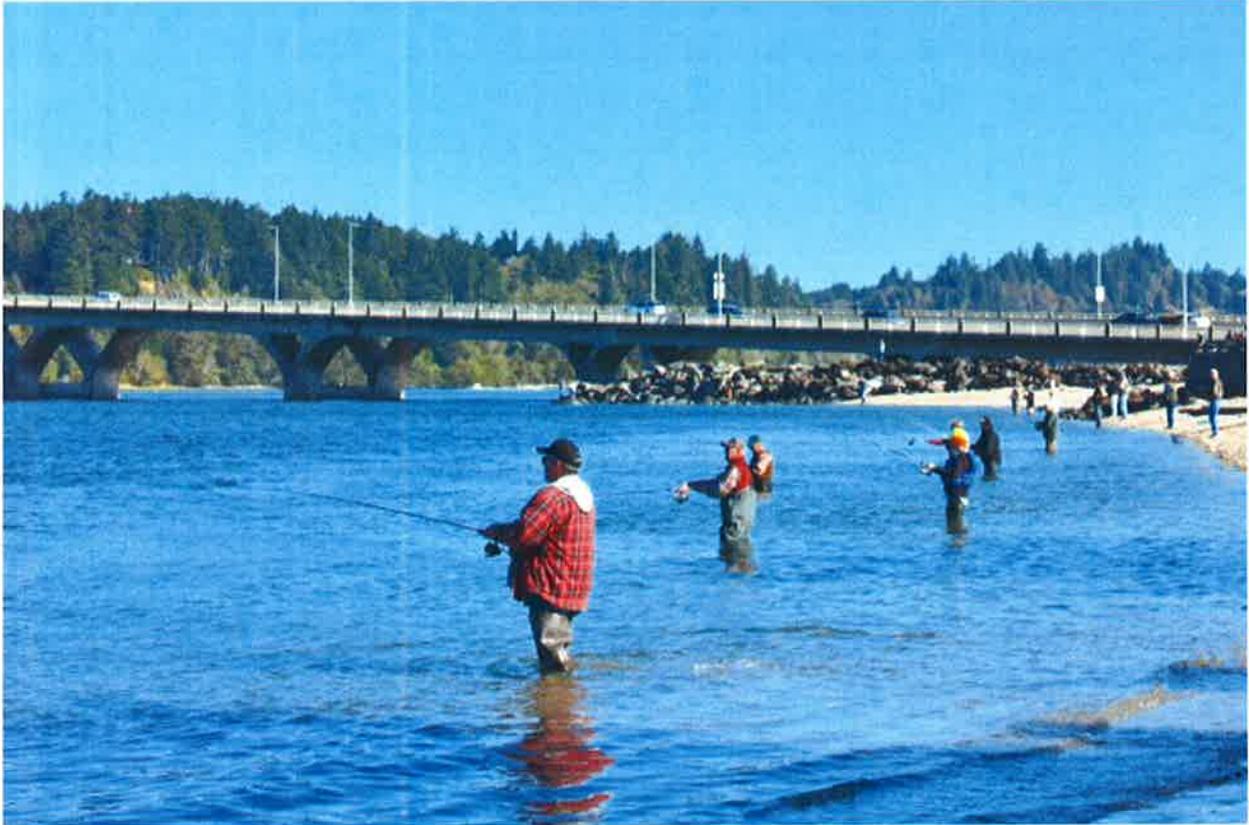
Proposed Borrowing

UR#2 has borrowed \$230,000 to date. A borrowing of \$120,000 is proposed, which would bring UR#2 borrowings to \$350,000.

Tax increment revenues are pledged irrevocably to debt retirement. Loan proceeds are used to construct or carry out the project activities of the urban renewal plan.

Blank Page

Appendix



Salaries and Wages Supplement

Personnel Services	2014	2015	2016	2017
Summary	Actual	Actual	Budget	Budget
Salaries & Wages	758,313	745,737	807,351	844,919
Health Insurance	239,634	259,907	288,877	294,311
PERS	81,010	74,991	90,828	92,545
Social Security	56,574	55,474	61,762	64,636
Workers Comp	12,972	11,747	17,757	18,451
Unemployment Claims	0	7,150	7,150	0
Totals	1,148,503	1,155,007	1,273,725	1,314,862

		2017
FTE	Position	Budget
1	City Manager	95,134
1	City Recorder	53,971
1	City Accountant	58,326
0.5	Office Clerk	12,779
3.5	Administration	220,210
0.4	City Planner	45,104
0.4	Land Use Planning	45,104
0.8	Library Director	37,572
1.0	Senior Librarian	42,742
0.6	Library Assistant	19,727
0.9	Library Clerks	25,694
3.3	Library Services	125,734
1	PW Director	70,878
1	PW Supervisor	55,816
3	Facility Operators	150,670
1	Facilities Mechanic	42,864
2	Utility Workers	93,756
0.5	Utility Billing Clerk	12,779
	On Call Time, Overtime	27,108
8.5	Public Works	453,871
15.7	Totals	844,919

Summary of Financial Policies

The City of Waldport (City) provides for public improvements and general administrative services. The city operates under a Council-Manager form of government consisting of seven elected members and a Manager directly responsible to them. Waldport Road District (District), aka Special Road District #3 of Lincoln County, was established to improve the streets and roads within the boundaries of the city back in 1931. The District is organized under general laws pertaining to road districts in the State of Oregon. The Urban Renewal Agency (Agency) was created by adoption of Ordinance 435 in 1981. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The District and Agency Boards are appointed by and made up of the same members as the City Council. However, legally the two Boards are distinct and conduct all business as such. Based on standards set forth in GASB39, the Agency and District are considered to be "component units" of the City.

The City of Waldport must maintain a system of financial monitoring, control, and reporting for all operations, funds, and agencies in order to provide effective means of ensuring that the overall goals and objectives will be met and to assure the City of Waldport supporters that the city is well managed and fiscally sound. The City of Waldport shall establish only funds that are necessary by law or for sound financial administration. The funds shall be structured in a manner consistent with GAAP to maximize the ability to audit, measure, and evaluate financial performance.

Each year the budget officer presents a balanced budget in which the resources equal the requirements in every fund. The proposed resources and requirements are estimated in good faith. The following excerpts were taken from the city's Financial Management Policies pertaining to budget.

Revenue and Reserves

The City of Waldport shall be sensitive to the balance between the need for services and its ability to raise fees, charges, and taxes to support services. City services that provide private benefits should be paid by fees and charges to users of those benefits. This allows maximum flexibility in use of tax revenues to meet the cost of services for broader public benefit.

Reserves establish minimum cash for working capital requirements to minimize the risk of interrupted business operations due to financial instability, both internal and external, or to fulfill legal requirements of bond covenants and statutes. These necessary reserves may include future year reserves for a specific purpose, operating "not available for appropriation" reserves, counter-cyclical reserves or rate stabilization funds, and debt service reserves.

A diversified and stable revenue system shall be maintained to shelter the government from short run fluctuations in any one revenue source. One time revenues shall be used only for one time expenditures. The city shall avoid using temporary revenues to fund usual and customary services. Revenue forecasts shall be conservative though reflective of the latest, best information available. Regular reports comparing actual to budgeted revenues shall be prepared by the accountant and presented to the City Manager. Funds shall be safely invested according to an adopted policy. One hundred percent of idle cash shall be continuously invested.

To maintain the city's credit rating and meet seasonal cash flow shortfalls, the budget shall strive for an anticipated undesignated fund balance between 5% and 10% of estimated annual revenues for the general government and enterprise fund types. The fund balance shall be exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies. The adequacy of the fund balance shall be evaluated annually to consider minimum cash requirements prior to receipt of current year property tax collections.

Generally the fund balance levels are dictated by cash flow requirements to support operating expenses, relative rate stability from year to year for enterprise funds, susceptibility to emergency or unanticipated expenditure, credit worthiness and capacity to support debt service requirements, legal or regulatory requirements affecting revenues, disbursements, and fund balances, and reliability of outside revenues. If at the end of a fiscal year the fund balance falls below 5%, then the city shall rebuild the balance. Should the fund balance fall below 5% of revenues, a plan for expenditure reductions and or revenue increases shall be submitted to the City Council via the City Manager. In the event the fund balance is above 10%, the difference may be used to fund one time capital expenditures which do not increase ongoing costs, other one time costs, or ongoing or new programs, provided such action is considered in the context of a council approved plan.

Capital Planning and Financing

The city should preserve its physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with new capital improvements or major equipment budgeted as part of the capital improvement program process. The city should make the capital investment needed to support and enhance the delivery of basic services.

The city shall determine and use the most effective and efficient method for financing all new capital projects. Future operating costs associated with new capital improvements shall be projected and included in the operating budget forecasts. System development charges (SDC) will be used for infrastructure capacity expansion and improvements including in house engineering and design whenever practicable and in accordance with state law and city code. Special funds dedicated for capital improvements shall be segregated in the accounting system and used only for the intended capital purposes.

A three year capital improvement plan (CIP) shall be developed and presented annually by staff in accordance with council goals and approved by the City Council in conjunction with the annual budget process. This plan shall contain all capital improvements from the departments of the city. A high priority shall be placed on replacement of capital improvements when such improvements have deteriorated to the point of becoming hazardous, incur high maintenance costs, affect property values negatively, or no longer serve their intended purposes. Capital improvements constructed for the city shall be based on construction standards that optimally control construction costs and maintenance costs.

Stand alone equipment purchased or donated shall have an expected useful life in excess of one year and cost (or estimated fair market value of donated assets) shall be valued at \$5,000 or more. Improvements to an existing capital asset shall extend the life of the asset for more than five years and the cost of the improvement shall be \$5,000 or more. Expenditures of a refurbishing or a repair nature shall not be capitalized. Capitalized assets shall be depreciated on a straight line basis with the following assumed useful life of the asset.

Description	Useful Life	Description	Useful Life
Berms	20 years	Reservoirs, Dams	50 years
Buildings	50 years	Road Signage	10 years
Building Improvements	10 years	Sewer Conveyance Systems	50 years
Equipment, Business	7 years	Sidewalks	30 years
Equipment, Computer	5 years	Storm Systems	50 years
Equipment, Public Works	12 years	Street Lighting	20 years
Equipment, Recreational	15 years	Traffic Lights	20 years
Furniture	20 years	Treatment Plants	100 years
Parking Lots	15 years	Vehicles	6 years
Pathways, Pedestrian	10 years	Water Distribution Systems	50 years

Debt

Long term borrowing shall be confined to capital improvements too large to be financed by current revenues. Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project. Bond anticipation notes shall be used as needed to finance construction of local improvements. Issuance of assessment bonds shall be pursued to finance local improvement districts (LID) approved by the City Council, which are too large to finance from current available balances.

The city shall use long term debt for capital projects that cannot be financed by current revenues. Long term debt may also be issued when the specific situation dictates that it is in the best interests of the city. Generally debt financing shall be limited to one time capital improvement projects when the project's useful life will exceed the term of financing, the project revenue or specific resources will be sufficient to service the debt, and the project will benefit the citizens at large. Debt financing shall not be considered appropriate for current operating and maintenance expenses (except for short term instruments). Tax anticipation debt shall be retired annually, and bond anticipation notes shall be retired within six months of the completion of the project. Short term debt outstanding at the end of the year shall not exceed five percent (5%) of net operating revenues, excluding bond anticipation notes.

For business funds, where specific user fees are obligated to repay debt, the goal shall be to limit debt to 10% of total operating revenues. If Council approves a loan borrowing that exceeds the 10% debt limitation, user fees will be adjusted, if needed, to insure a two to one (2:1) ratio of current assets to current liabilities to maintain the city's credit rating and expenditure flexibility. Water and wastewater fees shall conform to lender requirements. The goal on a per issue basis shall be to pay no less than 33% of the principal on bonds sold during the first half of the repayment term.

Budget Glossary

Accrual Basis	Method of accounting recognizing transactions when they occur without regard to cash flow timing (ORS 294.311)
Ad Valorem Tax	A tax computed as a percentage of the assessed value of taxable property
Adopted Budget	Financial plan that is the basis for appropriations adopted by the governing body (ORS 294.456)
Appropriation	Authorization for spending a specific amount of money for a specific purpose during a fiscal year, based on the adopted budget (ORS 294.311)
Approved Budget	The budget that has been approved by the budget committee (ORS 294.428)
Assessed Value	The value set on real and personal property as a basis for imposing taxes, the lesser of the property's maximum assessed value or real market value
Audit	The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State
Audit Report	A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations
Balanced Budget	A budget in which the resources equal the requirements in every fund
Beginning Balance	The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities, aka, net working capital (ORS 294.311)
Budget	A plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures (ORS 294.311)
Budget Committee	Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district (ORS 294.414)
Budget Message	Written explanation of the budget and financial policies, including any changes from the prior fiscal year, prepared and presented by the executive officer of the governing body (ORS 294.403)
Budget Officer	Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget (ORS 294.331)
Capital Outlay	Expenditures which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings
Cash Basis	System of accounting under which revenues are accounted for only when received in cash and expenditures are accounted for only when paid (ORS 294.311)
Contingency	An amount appropriated in anticipation that some operating expenditures will become necessary which cannot be foreseen and planned in the budget (ORS 294.388)
Debt Service	Payment of principal and interest related to long term debt
Division of Tax	Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, aka tax increment revenue

Enterprise Fund	A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, usually self-supporting
Estimate	(v) To arrive at a rough calculation or an opinion formed from imperfect data or (n) the resulting amount
Expenditures	Total amount incurred if accounts are kept on an accrual basis, total amount paid if accounts are kept on a cash basis (ORS 294.311)
Fiscal Year	A 12-month period to which the annual operating budget applies, July 1 through June 30 for local governments (ORS 294.311)
Fund	A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives
Fund Balance	The excess of the assets of a fund over its liabilities and reserves (ORS 294.311)
GAAP	Generally Accepted Accounting Principles used by State and Local governments in the United States promulgated by the Governmental Accounting Standards Board (GASB)
General Fund	A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund
Interfund Loans	Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.468)
Internal Service Fund	A fund used to account for fiscal activities when goods or services are provided by one organizational unit to another on a cost-reimbursement basis (ORS 294.343)
Levy	Amount of ad valorem tax certified by a local government for the support of governmental activities
Materials and Services	Expendable materials, operating supplies, and services necessary to conduct operations
Measure 5	A constitutional tax rate limitation (Article XI, section 11b) passed by the voters in 1990 which restricts the amount an individual property can be taxed, \$5 per \$1,000 of real market value for education and \$10 per \$1,000 of real market value for general government
Measure 50	A constitutional amendment (Article XI, section 11) passed in 1997 that limits the growth in a property's assessed value to 3% per year and limits a local government's taxing authority by creating permanent rate limits
Modified Accrual Basis	The accrual basis of accounting adapted to governmental funds where revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period"
Organizational Unit	Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (ORS 294.311)
Permanent Rate Limit	The maximum rate of ad valorem property taxes that a local government can impose under the limitations of Measure 50
Personnel Services	Expenses related to the compensation of salaried employees, such as, health and accident insurance premiums, social security and retirement contributions, civil service assessments

Program	A group of related activities to accomplish a major service or function for which the local government is responsible (ORS 294.311)
Property Taxes	Ad valorem tax certified to the county assessor by a local government unit
Proposed Budget	Financial and operating plan prepared by the budget officer, submitted to the public and the budget committee for review
Publication	Public notice given by publication in a newspaper of general circulation within the boundaries of the local government
Real Market Value	The amount in cash which could reasonably be expected by an informed seller from an informed buyer in a arm's length transaction as of the assessment date (ORS 308.205)
Requirements	Appropriations, reserves for future expenditures, and unappropriated
Reserve for Future Expenditure	An account budgeted, but not appropriated, that is not anticipated to be spent in the fiscal year, but rather carried forward into future fiscal years
Resolution	A formal order of a government body, lower legal status than an ordinance
Resource	Estimated beginning funds on hand plus anticipated revenue (ORS 294.361)
Revenue	The gross receipts and receivables of a governmental unit
Special Payment	A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures that do not fall into the other categories of personnel services, materials and services, capital outlay, etc.
Special Revenue Fund	A fund used to account for the proceeds of specific revenue sources that are legally restricted to specific purpose expenditures
Supplemental Budget	A revised financial plan prepared to meet unexpected needs or to spend revenues not anticipated when the regular budget was adopted (ORS 294.471)
Tax Increment Financing	A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area
Tax on Property	Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property (ORS 310.140)
Transfers	Amounts moved from one fund to finance activities in another fund, shown as expenditures in the originating fund and revenues in the receiving fund (ORS 294.463)
Unappropriated	Amount set aside in the budget to be carried over to the next year's budget, providing the local government with cash until tax money or other revenues are received later in the year (ORS 294.398)